



Daily Report

Latin America

FBIS-LAT-91-012
Thursday
17 January 1991

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Regional Talks Held on Gulf Crisis, Oil Supplies

FL1601173091 Bridgetown CANA in English
1703 GMT 16 Jan 91

[By Linda Hutchinson]

[Excerpt] Port of Spain, Trinidad, Jan 16, CANA—Trinidad and Tobago has offered to help Caribbean countries in the event of "an explosion of petroleum prices." The issue of aid to oil-consuming countries which may be hard hit by the crisis in the Persian Gulf was discussed here late Tuesday night by Trinidad and Tobago Prime Minister A.N.R. Robinson, his Jamaican counterpart, Michael Manley and Venezuelan President Carlos Andres Perez.

The meeting covered "the potential development of oil both in so far as supply and price are concerned," Robinson told a midnight news conference Manley attended.

"President Perez agreed to seek a meeting of the.... Rio Group (in Latin America) in order to arrive at specific arrangements which can be entered into.... in order to assist consumer countries," he reported.

He said "Trinidad and Tobago is pledged to collaborate in any measures that may be adopted in the event of an explosion in petroleum prices to assist the consumer countries, many of which are in the Caribbean.... our Caricom [Caribbean Community] neighbours."

Among matters discussed at the 40-minute meeting at Piarco Airport were security, the environment, energy, and food security for the region. Robinson said the purpose of the meeting with the two leaders was to exchange views on the critical situation in the world arising out of the Persian Gulf crisis. [passage indistinct]

He also said a Trinidad ministerial group established last year which was looking at giving oil price relief to Caricom countries recommended "we should collaborate in our efforts because Trinidad and Tobago is a relatively small producer whereas you have countries like Mexico, Venezuela in the Rio Group, much bigger producers."

Asked whether the San Jose Accord under which Caribbean and Central American states receive oil on concessional terms from Venezuela and Mexico, was discussed with President Perez, Manley said:

"What we were really discussing with President Perez is the fact that the San Jose Accords doesn't really contemplate the magnitude of crisis that might arise if the war was to lead to a major further movement in oil prices and that we really have to look at more innovative, more imaginative ways of dealing with the special extra problems which would arise should this thing (oil prices) explode."

On the issue of food security, the leaders agreed to use the technical resources of the three countries to explore possibilities to maintain supplies. Further talks will also continue on pollution and the environment. Robinson said that a technical team comprising officials of the three countries will meet in Caracas to continue discussions on the issues and arrive at more specific actions.

Manley told reporters he was concerned about the Gulf crisis as a problem in international affairs and implications for the region. Describing the talks as "useful and valuable," the Jamaican prime minister said there was already serious economic consequence for the region even in the current level of the Middle East crisis.

"Some economist[s] are feeling great strains, not only as they relate to the price of energy, but in things like the falling off of the tourist industry because of United States recession and the unsettling effects of the crisis," he told reporters.

"I think that what was very valuable about tonight was the recognition by the three governments.... that it is important for the region to try to find some way to develop a coherent strategy, an economic strategy to deal with what has already happened and what could conceivably be the far greater consequences to follow."

Manley said if war breaks out in the Gulf, there are going to be acute problems of price, supplies, and potential terrorism.

"The region has to look to itself...to its economic defences and I think that the really constructive thing that came out of the meeting was to get a technical group to begin to pull together the work that is going on in Trinidad and Tobago, Jamaica, and in Caracas," said Manley.

Also discussed at the meeting were the recent coup attempts in Trinidad and Tobago and Haiti and the overthrow of the Suriname Government by the military. Manley suggested the Caribbean governments meeting here next month look at democratic regimes and threats again. This was, he explained, "to see how we can in the Caricom family determine a set of procedures and common responses to deal with these kinds of problems."

The Trinidad and Tobago prime minister said the Tuesday talks were important to ensure preservation of [word indistinct] democratic systems and promotion of the democratic way of life in the Caribbean and America.

"We agreed stongly to condemn all those efforts which have been made in [word indistinct] times either to subvert or overthrow democratic systems in the region and in particular [word indistinct] and in Suriname and certainly what occurred in Trinidad and Tobago last year," said Robinson. [passage omitted]

Cuba

Castro Expresses 'Deep Bitterness' Over War

PA1701012691 Havana International Service
in Spanish 0100 GMT 17 Jan 91

[Text] Cuban President Fidel Castro stated his sorrow and deep bitterness on Wednesday 16 January, minutes after learning about the attacks on Kuwait and Iraq that started the war in the Persian Gulf.

The war is a failure for the United Nations and for the politicians of our times, the president stated in a news conference—where he arrived suddenly—scheduled to discuss the Pan-American Games to be held in Havana next August.

The war in the Persian Gulf should have never started, and it was unnecessary because the possibilities for a peaceful solution, although seemingly more remote, had not disappeared completely, Castro said. I am experiencing the same feeling of sorrow and deep bitterness that the world must be feeling, he reassured.

Calls War 'Unnecessary'

FL1701020991 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0100 GMT 17 Jan 91

[Remarks made by President Fidel Castro on hostilities beginning in the Persian Gulf during a news conference on the Pan-American Games at Havana's Habana Libre Hotel on 16 January—recorded]

[Text] I have been just been told that combat has just begun in Iraq. Is this so? At what time was it? [unidentified speaker responds: The Baghdad airport was bombed at 1840, according to....] [Castro interrupts] According to who? [unidentified speaker says: CNN reported that bombing could be heard] They could be heard. I said this war was going to be broadcast on television.

I am feeling the same sorrow you are feeling and the whole world must be feeling. I also feel deep bitterness. I am fully aware of what this war could mean in loss of human lives and a lot of material destruction. I also think about the terrible consequences it is going to have for the economy of the world, especially for Third World countries, and in the potential dangers the war itself can bring. This war should have never been unleashed. As I said earlier, it was unnecessary in order to reach the goals the United Nations sought. Anything can happen there, even ecological disasters if those oil wells begin to burn. This is what I feel.

The fact that the war broke out is a failure for the United Nations, a failure for the politicians of our times. It shows the inability of the international organizations, and the inability of the politicians of our times to solve the problems by peaceful means. [Netherlands journalist asks: According to you, who is responsible for this war?] I think everybody is responsible for this war. First,

colonialism which ruled the world and left many of these problems as a legacy [is responsible]. The inequalities the world is facing is responsible for the war. The hegemonic policies are to blame. I do not want to hurt the feelings of the American visitors here but I believe that the U.S. hegemonic policy has a lot to do with it.

I also think the actions initiated by Iraq's leadership are responsible for it. This cannot be denied. We understood that those actions could lead to war. In our messages to the Iraqis we made great efforts so that they would rectify their positions. We believed that what they had done was politically wrong. They based their arguments on ethical, legal, historic, religious, and nationalist reasons. We analyzed the problem from the political point of view. Those actions led the United States to organize a large political and military coalition which even included Arab and Moslem countries.

We used our best arguments and a realistic logic to persuade the Iraqis to rectify their actions. They used a different logic. They said Kuwait belonged historically to the same Iraqi community. They used historic and legal arguments. They said Kuwait was a result of colonialism. They argued that the United States invaded Grenada and no sanctions were imposed, that it invaded Panama and no sanctions were imposed. Also, they said Arab countries were attacked, their territories were occupied and no sanctions were imposed. They said there was a double standard at the Security Council. One standard was used for them [the U.S.] and one for others. They also referred to the rights of the Arab countries. They said this was an Arab matter and it should be solved among Arabs. They used a number of arguments which included even cultural and religious arguments. These were the arguments they used in response to the realistic political logic we presented to them.

Ultimately, the responsibility of the war lies on those who shot the first bullet, the ones who began the war. I believe this responsibility is shared among a number of UN countries. The responsibility of the war that has just begun lies basically on the United States. The United States has been determined to wage war when a solution could have been found without the need to resort to war.

So you see how our news conference on the Pan-American Games has turned into [changes thought] It is logical in view of the events. I hope that at a moment like this people will not be so concerned about sports.

The two antitheses are seen here: the war and peace as in Tolstoy's novel. The war is being waged in Iraq and the Middle East and we are gathered here to discuss the matters regarding the Pan-American Games to be held this year.

Comments on Impact on Country

FL1701050791 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0423 GMT 17 Jan 91

[Remarks made by President Fidel Castro on hostilities beginning in the Persian Gulf during a news conference

on the Pan-American Games at Havana's Habana Libre Hotel on 16 January—recorded]

[Text] It will have both a direct and an indirect effect. Cuba will not experience a direct impact because it does not have trade ties with Iraq. Cuba does not obtain fuel shipments from Iraq. Cuban-Iraqi ties are limited to old diplomatic ties, old friendship ties similar to the ones Cuba maintains with many Middle East countries.

In addition, there are several Cuban assistants, mainly nurses, working in Iraq. There are about 200 Cuban health workers there, many of them are specialized nurses. They work in different civilian hospitals. They did not want to return to Cuba despite the threat of war because they thought it was their duty to assist their patients. We agreed with them because doctors and nurses are needed the most during times of war.

There have even been some contacts with international humanitarian organizations. They have expressed interest in the humanitarian aid that the Cuban medical personnel may render during and after the war. This is the essence of Cuban-Iraqi ties. We have no economic ties with Iraq.

When oil prices rise from \$14 to \$30 and to over \$30, however, it does create problems to hundreds [as heard] of countries, to the great majority of non-producing oil countries, to oil-importing countries.

This also makes all sorts of goods more expensive. All oil byproducts will be more expensive: high-intensity, low-intensity polyethylene, fertilizers. Hundreds of thousands of oil byproducts will get more expensive. All countries consume these products. Therefore, countries are left without money because oil and fuel are top-priority products. This also has an effect on world trade, and the trade of all kinds of food staples. There is also less demand for Third World exports and prices drop. In view of this, exports decrease and so do the exports of Third World countries; Cuban exports as well.

If, however, at a given time, we are in the need for an additional amount of fuel, and if we are forced to resort to the international market to purchase it, we will find high prices. Consequently, we will be forced to buy fuel oils, or some type of fuels—like diesel oil—to achieve a balance of supplies.

In 1990, Cuba had 3 million tons less of fuel, that is, we had about 25 percent less fuel than the previous year. In view of this, we had to adopt special measures to confront this situation.

This was caused because of the difficulties the Soviet Union has experienced in guaranteeing the historical oil supplies. This occurred in spite of the Soviet Union's willingness and desire to resolve this problem. Cuba has and continues to receive its main supplies from the Soviet Union. Therefore, any deficit that may take place will force us to make even greater sacrifices because we will have no other source of supplies.

The first impact of this war will most likely be that tomorrow oil prices will jump to \$40, but depending on how this war develops, no one knows whether this price may jump to \$50, \$60, or \$70.

All sorts of estimates have been made. Some state that oil prices will reach \$100. The only certain thing is that no one can or will know this. We can be certain that there will indeed be a considerable hike in oil prices.

Therefore, the impact I have already mentioned will be many-fold. Moreover, if this war become a more complicated issue—although, no one can ascertain this to be a fact.... [changes thought] Each side has made its own plans. It is obvious that the United States believes this will be a fast and brief war, but the other side is planning a long and bitter resistance. Nevertheless, at this time no one knows how events will develop, but there is a possibility that this war will be complicated. Therefore, it will have an impact not only on Third World countries but on the entire world economy which when the Gulf crisis broke out was at the beginning of a recession.

It is well-known that the U.S. economy is going head on into a recession. This situation, which naturally affects all countries of the world to a greater or lesser degree—some more than others—will also affect us greatly. Anything that goes wrong in the world economy affects all countries except those which may now have the privilege of receiving fabulous amounts of money at the expense of the blood that is being shed in those far-away deserts.

Ambassador Calls on UN To End War in Gulf

PA1701012991 Havana International Service
in Spanish 0053 GMT 17 Jan 91

[Text] Cuba stated today that the Security Council should end the war in the Persian Gulf. The council must act according to its obligations, said Ricardo Alarcon, the Cuban Ambassador to the United Nations and a Security Council member. Alarcon made these statements this afternoon, shortly after the international forces started the attack against Iraq.

After he asserted that this war is the biggest blow ever against the United Nations' prestige and the so-called new international order, the Cuban ambassador announced that he will initiate consultations with his colleagues of the Nonaligned Movement, as well as with other Security Council members as quickly as possible.

Although Ambassador Alarcon did not say if he would propose a resolution asking for a truce in the war at the Gulf, he did say that the Council has the obligation to end this war. The Security Council members have the obligation to do something, he concluded before entering the Security Council's room.

The 15 members of the Council had been scheduled to meet at 2230 on 16 January to discuss a proposed resolution with regard to Israel throwing four Palestinian

leaders out of the Gaza strip. Thus, it is very possible that the Council members are meeting right now and that they will be able to discuss the situation that has resulted after hostilities between Iraq and the multinational forces began.

To Request Security Council Meeting

*FL1701042191 Havana Radio Reloj Network
in Spanish 0405 GMT 17 Jan 91*

[Text] After learning about the beginning of the U.S. attack on Iraq, Cuban Ambassador to UN Ricardo Alarcon announced he will request a UN Security Council meeting. Alarcon and the Yemeni ambassador had voted against UN Security Council's Resolution 678 which authorized the use of other means in the event that Iraq did not withdraw from Kuwait by 15 January. Our government's high-level official says he hopes that the armed conflict in the Persian Gulf can be stopped.

The United States and its multinational force allies against Iraq began the Desert Storm operation in Baghdad on Thursday morning. It is aimed at getting the Iraqi troops out of Kuwait. This was confirmed by White House Spokesman Marlin Fitzwater.

FMC President Commends Health Workers in Iraq

*FL1601220591 Havana Radio Reloj Network
in Spanish 2102 GMT 16 Jan 91*

[Text] Vilma Espin, president of the Federation of Cuban Women [FMC], has sent a message of support to the Cuban doctors, nurses, and specialists in Iraq.

In her message, the Politburo member states that the thoughts of all Cubans are with those who are representing them in Iraq. The message expresses that Espin and each of the more than three million FMC members are proud to be daughters of a country that harbors men and women willing to fulfill the sacred duty of saving human lives anywhere in the world, even under stressful conditions.

She adds that the example of strength, courage, and absolute loyalty to noble principles that they are providing today is evidence of the justice, strength, and equity of the Cuban revolution.

Dominican Republic

Balaguer Confirms Commitment To Pay Debt

*FL1601165591 Santo Domingo Radio-Television
Dominicana Radio Network in Spanish 1600 GMT
16 Jan 91*

[Text] President Joaquin Balaguer has stated to the IMF that the government is willing to continue to meet its payment commitments to international lending organizations in spite of the deficiencies in the country's balance of payments. The head of state's views are contained in a letter he has sent to IMF Managing

Director Mr. Michel Camdessus. In his message, the Dominican president says that the talks that have been held to date between Dominican experts and the IMF team fall precisely within the search for solutions to the country's economic problems.

Haiti

Lafontant Says He Will Try Coup 'Again'

*FL1601205591 Port-au-Prince Radio Metropole
in French 1700 GMT 15 Jan 91*

[Excerpts] Eight days after his aborted coup d'etat and arrest on 7 January, Roger Lafontant was taken to the prosecutor's office of the Civil Court in Port-au-Prince for a preliminary interrogation. At 1100, two military units were posted, one in front of the prosecutor's, and the other in front of the Central Prison. Traffic was temporarily prohibited in these areas. Within minutes, a crowd had gathered in front of the prosecutor's office. The news had gotten out: Roger Lafontant would be heard by the government commissioner, lawyer Bayard Vincent.

At 1145, police cars sped to the intersection of Pavee Street and Aubry, and heavily armed policemen vainly attempted to disperse hundreds of curious onlookers. The two defendants, Roger Lafontant and Gerard Louis, accused of instigating the coup, stepped out of a Jeep Cherokee and were literally shoved by policemen to a cell on the ground floor of the prosecutor's office. There, the two men, author and co-author of the attempted coup, waited a long time before being heard by Commissioner Bayard Vincent and Judge Andre Normil.

A multitude of foreign and Haitian journalists conducted an initial interrogation, during which Roger Lafontant attempted to explain the reasons that led him to organize his coup. It was in defense of the Constitution, which he said had been violated. He said he denounces this violation and regrets nothing: No, I do not regret anything, he stated firmly. I will do it again if it is possible, he adds. No public speech by Jean-Claude Duvalier's former Minister of the Interior could have attracted so many journalists, cameras, flashes, or tape recorders. The prisoner was bombarded with questions.

Meanwhile, retired Colonel Gerard Louis was taken to Judge Andre Normil for questioning. Louis is a military man and a lawyer who was heard without legal representation. He was questioned by Judge Normil for two hours and 30 minutes. Nothing was learned about this confidential cross-examination.

One could read impatience and irritation on the face of Roger Lafontant, who was locked in a provisional cell. During his moments of silence, he looked dreamy. He appeared immersed in a reverie, eyes staring at the ceiling of his cell like a defeated king, a captive lion, handcuffed. Perhaps thousands of ideas ran through his head. Before his eyes many images probably recurred:

images of his attempted coup eight days earlier, as well as visions of his current situation. Former state minister of the interior, today a prisoner, Roger Lafontant is now at the bottom of the political scale after having tried to access the top rank. If Roger Lafontant failed in his coup against Ertha Pascal Trouillot, he has succeeded in achieving center stage in the news, top rank among the pages of the newspapers.

At 1445, on Monday, 14 January, we are still at the prosecutor's office. The crowd is dense. Military men are vigilant, guarding the court with weapons pointed toward the sky.

In his cell, Roger Lafontant is approached by Judge Normil and Commissioner Vincent. For five minutes he is questioned on the spot. He refuses to answer without his lawyer. He names Lherisson Alesy, Calixte Delatour, or Constantin Mayar-Paul. When no lawyer shows up, the accused is returned to his cell in the National Penitentiary.

The operation of the policemen on duty is impressive. The Cherokee backs up all the way to the entrance of the prosecutor's office. Roger Lafontant and Gerard Louis are in total compliance as they are bound together by handcuffs. They are pushed into the car which departs quickly for the National Penitentiary. The crowd, irritated, shouts at the military men who are ensuring the too-good [as heard] protection of the prisoners. The process has thus begun in what might be one of the most important judicial-political cases of recent years. [passage omitted]

Roger Lafontant and his accomplice returned to the National Penitentiary. Outside, the crowd voices its rage and hatred for the former minister of the interior of Jean Claude Duvalier. With little provocation, the crowd would have taken Roger Lafontant and treated him to the Pere Lebrun torture [necklacing].

Minister Defends Withholding Data on Dec Attacks

FL1601225591 Port-au-Prince Radio Metropole
in French 1700 GMT 16 Jan 91

[Passages in italics are in Creole]

[Text] After the events of last week, the minister of the interior, lawyer Joseph Maxi, whose house was looted and burnt [dechouque] by demonstrators, explained Saturday evening [12 January] on Haiti National Television [TNH] why he chose not to publish some dossiers of inquiries. He acknowledged that important dossiers were found in his residence which was uprooted after Lafontant's aborted coup. He explained that the decision not to publish them was made jointly with the provisional government so that the proper unfolding of the democratic process would not be compromised.

It was only after the failed coup of 7 January and after his house was ransacked that Minister Maxi publicly revealed the existence of such documents, dated 7 December 1990, related to the explosive attack of 5 December 1990. Lawyer Joseph Maxi explains:

[Begin Maxi recording] *I think that theoretically the public must believe in me because if someone has been struggling for 15 or 20 years, for 25 or 30 years for something, this thing has become a part of him. I am referring to the struggle for human rights, hence a struggle for democracy. As I told you, it has become a kind of second nature in my life. I can say that these struggles have become my daily bread. Struggling for human rights, struggling for democracy have been my daily bread.*

It is a fact that as a minister there are a couple of things going on, there are some steps being taken...[rephrasing] I will not say that I cannot make them public, but since I know that making them public will harm the promotion of democracy rather than enhancing it, I believe that I should keep them private because the main thing for me, and what must be the main thing for everybody, for all real democrats, is that the struggle for democracy will progress.

I am part and parcel of the provisional government, and the essential task and the basic mission of such is the realization of honest elections so that the country can get out of its dead end.

I do not think I was altogether wrong for not informing the general public about a couple of things, although I was reserving the possibility of informing them at the right time. I think my viewpoint was justified because this is the form of policy I have carried out at the Ministry of the Interior, and it has been successful. Just as the elections were held on 16 December under conditions that everybody knows of, that the country is aware of, that the international community knows of and has applauded, I can say that the end justifies the means. The means the provisional government used, the results we attained, the credible elections of 16 December, prove that the means we used were fair and have served the people's cause, have served the cause of democracy, have promoted respect for human rights in Haiti. [end recording]

Lawyer Joseph Maxi added that documents which can allegedly compromise some political personalities will be published shortly.

Police Arrest 2 in Connector With Coup Attempt

FL1601200091 Port-au-Prince Radio Soleil Network
in Creole 1200 GMT 16 Jan 91

[Report by correspondent in Mirebalais]

[Excerpt] Mirebalais police have arrested two soldiers who are alleged to have been involved in Roger Lafontant's attempted coup. These arrests confirm the rumors

that were circulating in lower Plateau Central to the effect that this place has become the bastion of Macoutes since the failure of the attempted 6-7 January coup.

[Begin unidentified correspondent recording] Benito Bazile and Saintume Desir, two of the 12 military men who took part in the abortive coup by Roger Lafontant and who hid here in Mirebalais were arrested yesterday, 14 January at 2330. They were apprehended by Adjutant Jean-Delmond Bellevue, commander of the Mirebalais

sub-district. They were hiding in a place called Gilbert in the third communal section of Grand-Boucan, which is under the jurisdiction of Mirebalais.

When we questioned Benito Bazile, he told us that he would not provide answers without his lawyer being present, but that did not prevent Saintume Desir from answering some questions. He told us that he is a soldier. He must go where he is commanded to go. He is under orders. [end recording] [passage omitted]

President Salinas on Impact of War on Country

PA1701033191 Mexico City Red Nacional 13
Imevision Television in Spanish 0146 GMT 17 Jan 91

[Speech by President Carlos de Salinas de Gortari in Mexico City on 16 January; live or recorded—monitored in progress]

[Text] ...so diplomatic solutions and political negotiations resulted in a peaceful solution by enforcing the UN Security Council resolutions. Despite the current discouraging outlook, Mexico harbors the hope that legal norms will prevail and peace will be recovered.

This is a confrontation that has different characteristics from others experienced throughout this century. It is the first one to occur after the end of the cold war. In other words, it is not a conflict between superpowers but one in which an important part of the community of nations coincides.

This is a conflict concentrated in an area that is located far from Mexico and that has been historically characterized by much tension. The Middle East is a very complex region with serious ancestral problems about community coexistence and others that, for decades, have failed to provide answers to large human groups—thus rendering it more complicated. It is also linked to the interest to guarantee the supply of fuel to industrialized countries and other developing countries.

Likewise, it is perhaps the only confrontation which has been announced in advance, so that concern and anxiety spread throughout the world. This grave conflict does not necessarily dash the hopes for a future of more respect and cooperation that had been created by recent political transformations in the world; but it is evident that civilized coexistence is fragile when it is not ruled by international norms and a willingness to solve prevailing differences in an equitable way.

This confrontation will have consequences—on a greater or lesser scale—in all the countries. The most grave thing will be the loss of human lives; the death of many innocent people; and the fact that it will disrupt life in many communities. There is nothing more unjust and inhuman than a war. Now is the time to reflect together about the enormous value of peace and harmony. The direct effects of the war will be minimal in Mexico. There will be no Mexican troops involved in the conflict.

We have already withdrawn all the Mexicans from Iraq and we have offered protection to our fellow citizens in countries throughout that region. We will maintain normal relations with our neighbors; we will seek it with the international community. Our position will be one of respect for the law and we will sponsor peace.

I have held long work sessions with the economic cabinet members and with the foreign policy and national security cabinet members to closely follow developments. Experts have pointed out that the war will affect the oil market and, consequently, the dynamics of the world's economy.

We have guaranteed the internal supply of oil products in Mexico. Even though it is true that the conflict will temporarily increase the international price of hydrocarbons, we also know that this affects the economy of countries to which we export other products. In addition, the oil prices could decrease when the conflict ends.

Consequently, we will wisely handle the additional resources resulting from this situation through the contingency fund we have already established. We will thus increase the country's foreign currency reserves and we will better protect the Mexican economy from possible external impacts. We will maintain the course of our current economic policy and I reassert that Mexico has enough to guarantee the population's supply and normal economic activity. We will firmly maintain the pact.

To reduce the effects of this external conflict in Mexico, the most important thing is to maintain the Mexican people's internal unity and to recognize that, given the current circumstances, we must place the nation's loftier interests above the interests of a given person or group—as we have always done. An atmosphere of confidence and unity currently prevails in Mexico and we will maintain and strengthen it. We will encourage work and harmony among ourselves. I ask for unity, responsibility, and patriotism from all sectors of our society.

Mexico is a peaceful nation. The Mexicans have always advocated peace. We are united by our concern about the loss of human lives, the ecological damage, and the threat to homes and families in other faraway countries. Our country has always struggled to achieve a peaceful solution to conflicts, to protect peace, and to obey the law. This is a position which has honored us and which has earned us the nations' recognition; it is a position that we intend to maintain.

The Mexicans join the appeal issued by other citizens from different countries, to find a prompt solution that will restore peace in the Persian Gulf and tranquility in the world. I am sure that our country will avoid this difficult international situation; and I hope that peace and respect for the law will be the perspective of the world in which we want to live and in which our children will live.

United, we will maintain peace and liberty in Mexico. Thank you.

Costa Rica

Calderon Comments on Outbreak of Gulf War

PA1701013591 Panama City ACAN in Spanish
0054 GMT 17 Jan 91

[Text] San Jose, 16 Jan (ACAN-EFE)—Costa Rican President Rafael Calderon has said he regrets the loss of human life in the war that began today in the Persian Gulf and, asking God he said: "I hope he surrenders soon," in reference to Iraqi President Saddam Husayn.

"I hope that Saddam Husayn surrenders soon and avoids causing more harm to humanity," said Calderon only minutes after the bombings began on positions in Iraq. The president added that "humanity is against Baghdad now."

The Costa Rican president stated his hope that the war will end "in one week," and that with the end of the East-West confrontation, this conflict will not turn into a world war as would have happened a few years ago.

In statements to the press, Calderon asked the Costa Rican people to remain calm and reminded them that the food and oil supplies to the country are guaranteed. The oil supply was guaranteed by Venezuela and Mexico.

Government Communique Appeals for Public Calm

PA1601174391 San Jose Radio Reloj in Spanish
1200 GMT 16 Jan 91

[Text] A communique released yesterday afternoon by the Presidency states that Costa Ricans can and must remain calm, because the government is looking after our country and everyone's welfare. It adds that as peace-loving people Costa Ricans must continue to pray and nurse hopes that this conflict will in the end be peacefully resolved.

The government adds that current fear in our country that there might be food shortages, suspension of services, or any immediate effects stemming from the kinds of weapons used in the conflict is unjustified.

El Salvador

Commentary Views Military Aid, Gulf Conflict

PA1601181491 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 15 Jan 91

[Commentary: "The Defeat of the Salvadoran Military and the War in the Middle East"]

[Text] The decision of President Bush to request the unfreezing of the military aid that had been withheld from the Salvadoran Armed Forces because of its murder of the Jesuit priests is a signal of war and a blow to the world's moral consciousness.

This action obstructs the possibilities of holding negotiations, because it encourages the warmongering aspirations of the Armed Forces High Command and the ARENA [Nationalist Republican Alliance] leadership. This action represents a moral blow because it places a smokescreen in front of the horrible murder of the Jesuit priests, which had been one of the main arguments used by sectors of the U.S. Congress and U.S. society to demand a total suspension of the military aid.

From the moment the death of the three U.S. military advisers in El Salvador became known, we urged the Bush administration to reflect on the need to hasten the negotiations. The law of the big stick, however, has prevailed. This is the law the United States is applying at a time world peace is at stake in the hot Middle East.

The meeting between the foreign ministers of Iraq and the United States gave us hope that the war could be averted in the Persian Gulf. President Bush, however, only thought of sending a threatening reply to Saddam Husayn that described, without further arguments, how big is the stick he has prepared for Husayn unless he pulls out of Kuwait.

While in this small country the peoples organizations have forced militarism to negotiate and we have become engaged in seeking political solutions to the conflict, there, halfway around the world, the warmongering sectors of the U.S. Pentagon have grabbed the big stick and put the world on the verge of a third world war.

From this small country, we Salvadorans call on President Bush to reflect, to reason, to use his mental powers so as to follow the example that our social and political sectors have set by deciding to permanently end the war through political negotiations.

President Bush must not think that with the release of the military aid—if it in fact takes place—he will be able to threaten Salvadorans with his big stick, because this policy does not work when people are organized and have dignity, and, in this case, have a force such as the Farabundo Marti National Liberation Front. Things are quite different here, and the Armed Forces High Command as well as Salvadoran pilots, who a few days ago saw more Air Force helicopters go down, know this.

The \$42 million in U.S. military aid, if it ever arrives, will be unable to keep airplanes and helicopters flying or boost the morale of the Air Force, that is, the morale of all of the antidemocratic Armed Forces.

Opposition Leader Claims Secret Talks 'Progress'

PA1601201491 (Clandestine) Radio Farabundo Marti
in Spanish to El Salvador 0000 GMT 15 Jan 91

[Text] Dr. Guillermo Ungo said today that the FMLN [Farabundo Marti National Liberation Front] and the government have reached important agreements at the negotiations table.

The opposition political leader said that he recently held separate meetings with representatives of the regime, the FMLN, and the United Nations and had perceived their optimism. He added that the parties feel optimistic because the negotiations showed progress at the latest secret meeting in Mexico.

Defense Ministry Reports New Appointments

PA1601201391 San Salvador LA PRENSA GRAFICA in Spanish 15 Jan 91 p 2

[Text] A Defense and Public Security Ministry order includes the appointments of new detachment commanders and the deputy chiefs of the National Police and the General Ramon Bellosa Battalion. As reported by the Armed Forces Press Committee, the recent changes add to General Order No. 12 of 31 December 1990.

The new commander of Military Detachment No. 1, with headquarters in Chalatenango Department, is Colonel Luis Mariano Turcios Chevez, who was previously stationed in Sensuntepeque.

Lieutenant Colonel Jose Domingo Flores Portillo goes to Military Detachment No. 2, which has its headquarters in Sensuntepeque, Cabanas Department. He had been serving as commander of the General Ramon Bellosa Battalion, which Lieutenant Colonel Juan Ernesto Mendez Rodriguez will now command.

The new deputy director of the National Police is Colonel Manuel Antonio Hermenegildo Rivas, and the new deputy of the Treasury Police is Colonel Jose Rodolfo Chavarria Buitrago. Colonel Luis Francisco Humberto Salinas is now the chief of the Armed Forces Study Center. Col. Salinas had been serving as commander of Military Detachment No. 1.

These are the chief military changes registered in January, which were described as routine.

Honduras

Guerrilla Group Said To Abandon Armed Struggle

PA1601154591 Panama City ACAN in Spanish 1701 GMT 13 Jan 91

[Text] Tegucigalpa, 13 Jan (ACAN-EFE)—Once the Honduran Government and the Unified Revolutionary Directorate (DRU) leaders announced they had reached an agreement on 11 January, the guerrillas started to abandon the armed struggle. The agreement stipulated that the rebels will return to "civic" activities and the government, in exchange, will give them guarantees to return to the country.

The agreement ended eight years of exile for the leaders of the Communist Party, Rigoberto Padilla and Rosario Roiz; the Revolutionary Party of Central American Workers of Honduras, Wilfredo Gallardo; and the People's Unity

Movement, Carlos Arita. These Honduran leaders had been living in Managua during the past years.

President Rafael Callejas said to them in a public ceremony: "I welcome you to Honduras and offer my government's formal promise that you will receive all the necessary guarantees for returning to public life."

Padilla replied: "The return of all our civic rights after such a prolonged exile is an act of political justice."

The communist leader had stated previously that the government "assured us we could return without being persecuted or harassed."

The DRU has acted clandestinely since the beginning of the eighties when, influenced by the Sandinist revolution and to escape the "dirty war" that had been started by the Armed Forces, a Honduran leftist group opted to take the armed route to power.

There are other guerrilla organizations that remain clandestine. These include the "Cinchoneros" Peoples Liberation Movement and the "Lorenzo Zelaya" Peoples Revolutionary Forces. These organizations did not follow the DRU's steps and are acting on their own.

According to political analysts, approximately six rebel movements were formed during the eighties in Honduras. The armed leftists carried out several isolated actions, but they obtained more deaths than political achievements.

Nicaragua

Chamorro Addresses Nation on Gulf War

PA1701134491 Managua Radio Sandino in Spanish 1210 GMT 17 Jan 91

[Speech by President Violeta Chamorro in Managua on 16 January—recorded]

[Text] Compatriots, the attacks against Saddam Husayn began few hours ago to force him to comply with the UN resolutions and leave Kuwait. This is bad news that saddens my heart as president and a mother.

My government spoke in favor of peace and supported all efforts to attain a peaceful solution. Regrettably, war broke out after the failure of the negotiations. Despite all this, we are still committed to achieving a peaceful solution and we will support the immediate reestablishment of peace and international order.

The Nicaraguan Government has taken the necessary precautions so that the oil supply to our country will not be interrupted. To this effect, the Governments of Mexico and Venezuela have given me their assurances. It is wise, however, to recommend that all Nicaraguans save gasoline, diesel fuel, and electricity, because we must expect prices to go up and we all will suffer the ensuing consequences.

Fortunately, our country does not have any contingent of compatriots who may suffer personally in the war region, but we regret the deaths that will take place as a result of a war anywhere in the world. Let us pray to the Lord that this incident will be over with rapidly, with the least possible number of deaths and damage.

It is a time for Nicaraguans to stand united. It is time to place the interests of the fatherland above any other personal and political interest. It is a time to act with great responsibility and promote the unity of the Nicaraguan family.

The Nicaraguan Government will keep all citizens posted on the developments in the Middle East and their consequences in our country.

* New Direction for BARRICADA Announced

91P40108A

[Editorial Report] The 22 December issue of BARRICADA reports on page 5 an announcement by Bayardo Arce that "starting in January BARRICADA will cease to be the Official Organ of the FSLN [Sandinist National Liberation Front]." Instead, the publication will be "more broadly based, and contribute to the discussion of ideas and the depolarization of Nicaraguan society." Arce, who is president of BARRICADA's Executive Board and heads its editorial staff, further states in the article that BARRICADA must "fight for respect for the rule of law, for honest government, and to defend popular gains." In the article BARRICADA'S editor Carlos F. Chamorro states that the newspaper will have a more modern, attractive format "to hit the reader between the eyes" and that reporting and marketing will be reorganized in order to expand readership and make the newspaper "more pleasing to readers and more reliable." The article explains that despite the government's efforts "to drown the newspaper financially," the new BARRICADA will be "the newspaper of the 90's."

Panama

Presidency Issues Communique on Gulf War

PA1701043091 Panama City Circuito RPC Television
in Spanish 0353 GMT 17 Jan 91

[Communique issued by the Presidency in Panama City on 16 January—read by unidentified official]

[Text] Upon instructions from the president of the Republic, the Prevention Committee for the Persian Gulf War has been meeting for several days to evaluate the repercussions of the crisis and to recommend measures to be adopted. Upon instructions from the president, all the security organizations had prepared a contingency plan several days ago to counter any situation which may arise in the country as a result of the war which exploded in the Persian Gulf.

Representatives of the National Police, Institutional Protection Service, Technical Judicial Police, Red Cross, National Air Service, Civil Protection Service, Firemen's Corps, Foreign Ministry, and the Council for Public Security and National Defense are gathered right now at the Palace of the Herons.

The Prevention Committee for the Persian Gulf crisis recommends calm and serenity, and the government announces that tomorrow will be a normal day of activities for the public and private sector.

President of the Republic Guillermo Endara Galimany is closely following the Persian Gulf war events and, as a faithful believer of the Christian faith, hopes that God will guide the main protagonists of these events so that a satisfactory solution may be found as soon as possible.

Ford Blames War on Husayn's 'Intransigence'

PA1701023491 Panama City ACAN in Spanish
0155 GMT 17 Jan 91

[Text] Second Vice President Guillermo Ford has said that Iraqi President Saddam Husayn's "intransigence" caused the war to break out tonight in the Persian Gulf, thus "exposing humanity to the dangers of a greater conflagration."

Ford told ACAN-EFE that Husayn's "irrational" attitude sparked the conflict, much in the same way that the "whims and brusque remarks" of overthrown Panamanian dictator Manuel Antonio Noriega sparked the invasion of Panama by U.S. troops in December 1989.

"The Panamanian people should pray for all who in one way or another will be the victims of this irrational act by Husayn, because our people were also victims of the whims and brusque remarks of a dictator who caused mourning and grief," the vice president said.

M-20 Communique Requests U.S. Troop Withdrawal

PA1601144191 Panama City EL PERIODICO
in Spanish 16 Jan 91 p 16

[Text] A few hours before the expiration of the UN deadline for the withdrawal of Iraqi troops from Kuwait, the 20 December Movement [M-20] issued a communique stating that if the United States wants Iraqi troops to pull out of Kuwait, it should set an example by removing its troops from Panamanian soil.

The M-20 communique states that the U.S. Government has placed the world on the verge of war, and adds: What authority does a nation which invaded another (U.S. invasion of Panama) in violation of all principles of free coexistence and disrespecting the nonintervention agreements between the two nations, have to proclaim itself as world gendarme and guardian of the laws that it does not respect itself?

The M-20 urges "the entire world to turn its eyes to Panama and remember that our country has been the

victim of a permanent and repugnant military occupation by Yankee troops." It adds: "We will, with actions like the 15 January grenade attack on U.S. Embassy, remind it (the United States) that we are a dignified people who want to live in peace, but are sufficiently courageous to forcefully eradicate them should this become necessary."

Finally, the M-20 expresses its support for the Arab peoples who are struggling to maintain their identity and are being currently threatened by the horrors of war.

This M-20 communique was delivered to EL PERIODICO's editorial room yesterday afternoon.

Legislator Points to Danger of Terrorist Attack

PA1601174191 Panama City CRITICA LIBRE
in Spanish 15 Jan 91 pp 1, 23

[Report by Arnulfo Mendoza]

[Text] "Since Panama does not have an army, it will be exposed to terrorist attacks if war breaks out in the Persian Gulf," legislator Jose Domingo Torres, secretary of the Foreign Affairs Committee of the National Legislative Assembly, has said. In this respect, it will be up to the Public Force to take steps to protect public security, as it has been doing, he noted.

In the face of an imminent conflict in the Persian Gulf, the legislator stated that the situation is very delicate because, whether we want it or not, this is an international conflict that involves us in the war theater. Should an armed conflict explode, as clearly may happen, Panama will most likely have to back the Western democratic countries.

If Panama opts for this stance—which is certainly under study by the Foreign Ministry and the Cabinet Council—we will throw our support behind Western democracy. Thus, a group will be created against the Iraqi Government to support the declarations of the United Nations, to which Panama belongs.

When asked if it would be dangerous for Panama to adopt a stance with regard to the conflict, that is, joining a bloc of countries, considering there is a Neutrality Treaty that protects Panama in the face of world conflicts, Torres noted: "Either way, Panama is exposed whether or not it joins the Western bloc."

Purpose of Civil Defense Explained

PA1701142291 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Jan 91 pp A-1, A-10

[By Claudio Herrera J.]

[Text] Engineer Abraham Crocamo, director general of the National Civil Defense System (Sinaproc), said yesterday there is no contingency plan between the

Southern Command and the Panamanian authorities in the event of a possible Iraqi attack on the Panama Canal installations.

Crocamo, who belongs to that organization, which he described as "strictly humanitarian," said that the canal area is located within the perimeter of the U.S. Civil Defense, but that the Panamanians are not included for evacuation purposes.

He explained that the U.S. military forces' priority actions are directed at safeguarding the security of its nationals in Panama.

The U.S. Army maintains 13,000 troops, 14 defense sites, and message intercept systems on the banks of the Panama Canal.

The Sinaproc director said that the Public Force is in charge of guarding the strategic sites and installations in the Republic of Panama. He mentioned the Fortuna, Estrella-Los Valles, and Bayano Dams, among others.

Areas that might be targets of attack are hospitals, potable water plants, and the sources of the water plants.

The Sinaproc is charged with coordinating all the actions of the public and private sector on civil defense. Crocamo reiterated to national and international newsmen.

As it has been learned at international level, Panama might be subject to an Iraqi reprisal attack due to the presence of U.S. bases and electronic espionage sites.

Regarding the coordination plans between the national authorities and the Panama Canal Commission, Crocamo cited the operation carried out last October in Madden Lake (Pacific side) in which the Sinaproc also participated.

He explained that they had practiced the evacuation of the plant personnel in the event of a water spill. However, he added that "there are no joint plans, because the moment has not arrived."

He said the objective of civil protection is to provide direction and to keep the people calm.

Arab Federation Condemns U.S. Action in Iraq

PA1701024491 Panama City ACAN in Spanish
0126 GMT 17 Jan 91

[Text] Panama City, 16 Jan (ACAN-EFE)—The Federation of Arab American Organizations of Panama tonight condemned the U.S. attack on Iraqi territory and called for "an immediate cease-fire."

In a statement delivered to ACAN-EFE shortly after hearing the first reports on the bombardment of Baghdad, the federation called on "all Arabs worldwide and

all human beings to openly protest against those governments that support the aggression of the United States and its partners."

The federation warns of the "imminent Israeli repression of the Arab population of Palestine," and maintains

that a solution to the Middle East conflict "will only be possible" with the "establishment of the Arab state of Palestine in the territory occupied by Israel and the immediate withdrawal of the invading troops from Iraqi territory."

Argentina

Foreign Minister Says Ships To Remain in Gulf

PY1701031291 Buenos Aires Argentina Televisora
Color Network in Spanish 0248 GMT 17 Jan 91

[Text] Here in Argentina, Foreign Minister Domingo Cavallo affirmed today at dawn that Argentina is not neutral in the Persian Gulf conflict, just like any other country that has troops in the Middle East. The world is at war with Iraq, Foreign Minister Cavallo emphasized at a press conference he held at the Foreign Ministry just a few minutes ago.

Finally, the foreign minister said that the Argentine ships will remain in the Persian Gulf even though Congress has not yet discussed the situation of those ships. Cavallo also announced that the executive branch will introduce a bill in Congress to authorize the two Argentine Navy ships to provide logistical support to the operational forces.

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 0300 GMT on 17 January in a similar report adds: "Cavallo defended the U.S. Government's decision to attack Baghdad because 'if Saddam Husayn is not forced to withdraw from Kuwait, world peace will be permanently endangered.'"]

Menem's Silence on Rebellion To Be Investigated

PY1601212091 Buenos Aires BUENOS AIRES
HERALD in English 16 Jan 91 p 11

[Excerpt] (NA-DYN)—Federal Judge Miguel Pons ordered yesterday an investigation to decide whether or not President Carlos Menem is guilty of withholding testimony linked with the December 3 carapintada [Painted Face] uprising.

Pons is heading the investigation into civilian and Coast Guard participants in the carapintada rebellion. The decision to investigate Menem formed part of Monday's [14 January] ruling in which 58 civilians were put under preventative arrest—each on bail for a billion australs.

Pons resolved to investigate the President after he had failed to reply to several pages of questions. The judge believes Menem's silence is illegal under article 243 of the penal code.

Pons said that Menem's lack of response has obstructed his work, stating that the President could have clarified many points in his investigation. Pons added that all men were equal before the law. [passage omitted]

Menem Swears In 4 New Cabinet Ministers

PY1701004891 Buenos Aires TELAM in Spanish
1952 GMT 16 Jan 91

[Text] Buenos Aires, 16 Jan (TELAM)—At the ceremony to swear in the new cabinet ministers, President Carlos Menem asked the people to help fight corruption.

Giving the oath of office to Avelino Porto as public health and social action minister, Guido di Tella as defense minister, and Rodolfo Diaz as labor minister, President Menem affirmed that we will fight to eradicate the scourge of corruption with all the weapons available under the law.

The ceremony was held in the White Hall of Government House.

Dismissed Governor Refuses To Leave Office

PY1601230091 Buenos Aires DYN in Spanish
1916 GMT 15 Jan 91

[Text] Ushuaia, 15 Jan (DYN)—Yesterday Tierra del Fuego Governor Martin Torres was dismissed by President Carlos Menem, but today he returned to his office in this capital and announced that he was refusing to leave his post for institutional reasons.

Torres said that according to Law 23775 transforming the Tierra del Fuego territory into a province, he must remain in his post until he is replaced by new authorities elected according to the new provincial constitution. According to Torres, there is a "juridical conflict" that must be resolved by the provincial constituent Assembly.

* Cavallo Discusses Foreign Investment Policy

91SM0139A Buenos Aires CLARIN in Spanish
2 Dec 90 p 12

[Interview with Foreign Minister Domingo Cavallo by Liliana Franco; place and date not given]

[Text] [Franco] What is the Foreign Ministry doing to bring in foreign investment?

[Cavallo] In the first place we are negotiating bilateral guarantee and safeguard agreements so that people coming from abroad know that Argentina offers the utmost in legal security. Not only under a domestic law, which might be amended by another one, but under bilateral agreements, which obviously can be altered only by mutual accord. Some of these have already been signed, and we are about to sign others.

[Franco] What are the main arguments that Argentina advances overseas to attract capital?

[Cavallo] We point out that Argentina's foreign and domestic policies are completely consistent. Argentina used to be isolated both from capital flows and trade and was always defiant about and dissatisfied with the ground rules in the world, but now it is behaving like a country that observes these rules. Moreover, and to increase our bargaining capacity, we are joining forces with Brazil and other Latin American countries. In summary, our main argument overseas is that in Latin America they have an area of the world that is convinced that it has to change old foreign policies. True, this is also

happening in Eastern Europe and other parts of the world, but we here are much farther along with this change.

[Franco] Don't you think that the obviously low exchange rate and high interest rates are discouraging foreign investment?

[Cavallo] The explanation that we offer is that this situation is a short-term, undesired side effect that occurs with all stabilization plans. No matter how much headway is made in fiscal reforms, there is always greater emphasis on monetary control than on what can be achieved in the fiscal area. But Argentina is fully aware of the need to carry out a very thorough fiscal reform.

In addition, the economic team and the entire administration realize that higher taxes on fuels, higher electric-power and communication-services rates, etc., increase production costs and cause problems. But the economic team is trying to resolve these problems by bolstering the collection of the VAT, the capital-gains tax, and to expand the tax base in order to lessen the impact of taxes, which we know are bad, as are the ones that decrease the income of exporters, either by not reimbursing domestic taxes or by charging export duties.

[Franco] What role do Argentine embassies play in stimulating the interest of foreign investors?

[Cavallo] They inform and advise potential investors about everything that is being done in Argentina to develop a good investment climate. We are trying to get them information about the privatization program in particular.

[Franco] How do you think the international recession that is on the horizon will affect Argentina?

[Cavallo] We have the advantage that our country accounts for a small percentage of international capital flows and trade. Even during a world recession, if we do things well, we will be able to considerably boost our share in both raising capital and in trade.

[Franco] How would you rank Argentina among the countries that attract capital?

[Cavallo] We are quickly improving our position in the ranking. I think that after the countries of North America, the so-called "Asiatic tigers," and the countries of Western Europe, comes Latin America, clearly ahead of the countries of Central and Eastern Europe and Africa. In Latin America and by country group we are in third or fourth place, but climbing.

[Franco] What areas do you think are most attractive to foreign investors?

[Cavallo] Without question all of the ones connected with the privatization process. Services in Argentina have undergone a disinvestment process and could offer very attractive investment opportunities, as could the entire petroleum industry and everything having to do

with raw materials and their processing. But they have a lot of possibilities in the industrial sector too, such as machinery or manufactured goods, owing to the process of integration with Brazil.

[Franco] U.S. President George Bush has said that a common market is needed in the Americas. In light of this proposal, shouldn't more investment be coming in from the United States?

[Cavallo] President Bush's proposal is very intelligent. They have a problem, their trade deficit, and we have a problem, the lack of investment. If President Bush manages through his initiative to improve the investment climate in Latin America, at the same time he is going to be resolving the U.S. problem. We are negotiating an investment treaty with the United States that is tied to the opening up of trade which could come about and that will enable our country to buy more capital goods from the United States.

[Franco] What are the chances of allowing free zones?

[Cavallo] What is happening is that we are moving forward with the process of opening up our economy across the board and we are trying to make progress quickly in order to promote investment. In any event, I am not ruling out the possibility of some free zones.

[Franco] What countries have surpluses and could provide capital?

[Cavallo] The countries of Western Europe, mainly Germany, Italy, Spain, France, the United Kingdom, and unquestionably Japan. Although the United States does not have large amounts of capital built up, it plays a major role in encouraging the formation of groups that could invest in Argentina.

I have no doubt that we can attract investment and that a process of integration with our neighbors is fundamental to this end. Latin America is going to offer the next major opportunity as an investment area for world capital if we make headway on integration.

[Franco] Are investors not complaining about labor problems?

[Cavallo] This is beginning to change, even with the support of the trade unions. And the process of integration with other countries is going to enable us to make headway in adapting all of the regulations having to do with the organization of the economy, be it the financial market or the labor market, so that we have a competitive economy.

[Franco] How do you think we can attract the Argentine capital that is now overseas?

[Cavallo] By means of the same factors that attract foreign investment. But I think that the advantage here is that an Argentine who has his money overseas is always going to be interested in having more of a connection with his country.

Bolivia

Defense Minister Deems Army Budget Inadequate

PY1601145691 La Paz EL DIARIO in Spanish
5 Jan 91 p 3

[Text] Defense Minister Hector Ormachea has stressed that Bolivian Armed Forces will have many problems if the 1991 national budget does not include money to replace equipment.

Ormachea emphasized that their first evaluation of the general budget was discouraging for the Armed Forces.

"The fact that the budget includes no allocation to replace equipment, particularly equipment that is very old and in poor condition, will create difficulties for the Armed Forces," the minister said.

Ormachea said that the Defense Ministry and the different branches of the Armed Forces are studying the situation to find ways to alleviate the consequences of such a measure.

"We are going to be limited, as are all other ministries in different areas and aspects. We understand, however, that the state is going through difficult times," the minister said.

Ormachea believes that several essential requirements will not be met under present conditions.

The minister said that limitations are great, particularly in the area of food and clothing.

"We have many problems in that area," the minister said, adding that some military production departments "are using a lot of imagination" to produce their own food.

Two Alleged CNPZ Members Arrested; 1 Released

PY1601215891 La Paz PRESENCIA in Spanish
5 Jan 91 p 12

[Excerpts] (ANF)—Interior Ministry Under Secretary Raul Loayza Montoya has officially reported that state security organizations arrested two presumed members of the Nestor Paz Zamora Commission [CNPZ] in Cochabamba.

Pedro Alanez and Willy Bustos, who allegedly have been involved in CNPZ actions, were detained on 3 January in Cochabamba.

Bustos was set free yesterday in a decision by the intelligence organizations after undergoing questioning. Pedro Alanez is still under arrest. [passage omitted]

According to the preliminary results of the investigations into these two individuals' activities, Pedro Alanez Villarreal spent four days in the house on Abdon Saavedra Street in La Paz where Jorge Lonsdale was later murdered. [passage omitted]

*** New Antiterrorist Death Squad Surfaces**

*** Text of Communique**

91SM0142A La Paz HOY in Spanish 13 Dec 90 p 9

[Text] The "General Joaquin Zenteno Anaya" National Antiguerilla Command (GJZA) has revealed its existence in an unsigned communique in which it pledges "to eliminate once and for all the messengers of treason and terror...[we are] determined to destroy for good the human blight called the ELN [Army of National Liberation] and the CNPZ [Nestor Paz Zamora Command]." The communique also notes that four antiguerrilla patrols have been organized. They are: "Lieutenant Eduardo Velarde" in La Paz, "Lieutenant Laredo" in Cochabamba, "Lieutenant Luis Saavedra" in Santa Cruz, and "Lieutenant Ruben Amezaga" in Oruro.

While announcing that its "commitment to the people's welfare" forces it to once again take up arms, the Death Squad says in its first "communique" that it has identified "most of the Red mercenaries," against whom it will take action "in order to pay them back two for one for their crimes and kidnappings." It also asserts that it has in its sights "other elements of Red indoctrination" who hold high positions in all national activities, particularly in organizations that claim to defend human rights or to promote peace, as well as others who are "camouflaged amid the 'founding fathers' and in certain mass media whose specific mission is to confuse public opinion."

The complete text of the communique reads as follows:

Communique

An incredible wave of banditry and crime has culminated with the vile and cowardly murder of the distinguished businessman Jorge Lonsdale, whose only crime...was to have made some money from his own hard and self-sacrificing work. He was kidnapped, brutalized, and in the end barbarically slain in cold blood in the finest style of the Russian NKVD [Soviet secret police organization], the Romanian Security Police, and the Cuban Political Security Forces, thus betraying the Marxist origin of this homegrown repression.

The CNPZ belongs to the ELN, which is a cover for a gang of international criminals and ruffians who are deceiving the people by claiming that they are fighting for them. Yet they kill and wound humble citizens who have families to support, such as Mr. Lonsdale's chauffeur or the two law-enforcement officers who were slain on Rosendo Villalobos. Claiming to have deep national roots, they are nothing but ideological mercenaries serving foreign causes that are manipulated by the last little Red dictator in the Caribbean and the Sadistic, Schizophrenic Command of Shining Path and the Tupac Amaru Guerrillas who are today laying waste to our sister Republic of Peru. Their watchword, they say, is to raise funds in these blessed lands of God, so that they can continue to finance the fratricide that is going on in our neighbor.

We have not forgotten how cleverly the ELN makes use of Marxist Demagoguery to deceive and confuse the people. The Nankahuasu Guerrillas tried to make the dead bandits look like innocent, humble victims and the Forces of Law and Order look like the scourge and killers of innocent citizens. Do not forget that as always you were the ones who started this cowardly, cruel battle, in keeping with your reactionary, demented methods. The people, all of us, know that the Forces of Law and Order did their duty. This ELN approach is not unusual. It is standard operating procedure among Red mercenaries, particularly those from the Caribbean, to call their murderous, interventionist gangs internationalist troops and to feel that they are entitled to commit the worst crimes and genocides, calling them popular executions, their perpetrators, heroes, and their dead, martyrs. In contrast, when the humble servants of law and order, the forces that have been established to guarantee citizen and State security, do their duty in response to the violence of this messianic philosophy, they are called irresponsible, cowardly henchmen in service to oligarchies, capitalism or Yankee imperialism.

We have not forgotten either that timely cover is being given to these criminal, mercenary groups by other elements of Red indoctrination who hold high positions in all national activities, particularly in organizations that claim to defend human rights or to promote peace, as well as others who are camouflaged amid the "founding fathers" and in certain mass media whose specific mission is to confuse public opinion.

We are former combatants in the Nankahuasu Antiguerilla struggle. At the time we belonged to the noble and valiant National Army. Today, we have organized on our own, determined to destroy for good this human blight called the ELN, whose actions brought bloodstained tears to so many mothers and widows, caused many young recruits to lose their lives, and brought pain, anguish, and death to the country back in 1967. And today it wants to repeat this tragedy.

The memory of all those brave and wholesome comrades of ours, officers, noncommissioned officers, servicemen, and civilians who were killed in insidious ambushes, true martyrs of nationalism who were committed only to the welfare of their people, forces us to take up arms once again to eliminate once and for all these messengers of treason and terror. Let us take this opportunity to clarify that we have nothing to do with, have no relations with, and have no commitments to the Armed Forces of the Nation, nor with the National Police, nor with any other government organization, much less with any foreign organization or international group. The Homeland is in danger; this is what has forced us to make this decision.

For all of the reasons set forth in this message, the "General Joaquin Zenteno Anaya" National Antiguerilla Command orders the "Lieutenant Eduardo Velarde" Antiguerilla Patrol of La Paz and the "Lieutenant Ruben Amezaga" Antiguerilla Patrol of Oruro to go on alert to repel with the utmost vigor and rapidity the

terrorist, criminal actions of the CNPZ, an active branch of the ELN. They will act with the same valor and resolve that they showed in eliminating Castro's mercenaries from Cuba and other countries in 1967. The Information Agencies of these Patrols will keep working until they know all about the current cadres in the enemy's combat formation and deployment.

Be advised, Red mercenaries, that we are taking up the challenge of a war to the death that you have hurled at us. We have identified most of you and we will take action against both those of you who are bearing arms and those who are behind desks, paying you back two for one for your crimes and kidnappings.

In memory of our comrades who fell at Nankahuasu. For the peace and tranquillity of our beloved, long-suffering people.
Total destruction for the mercenary bandits!
Central Command Information Agency, 10 December 1990

* Politicians Urge Government Action

91SM0142B La Paz HOY in Spanish 14 Dec 90 p 11

[Text] The president of the Chamber of Deputies, Fernando Kieller, asserted yesterday that the interior minister has an obligation to investigate whether the "General Joaquin Zenteno Anaya" death squad really exists and what its origin is. Yesterday, the group issued a threat against guerrillas, legislators, and individuals who are "camouflaged" in the mass media that aid terrorism.

Kieller Guzman said that he was worried about the emergence of organizations such as this one. At the same time, however, he downplayed the possibility that the group actually existed, indicating that it would be reckless to try and unleash a wave of retaliatory actions because it would be countered with the tools that democracy itself provides.

In any event, he let it be known that the Chamber of Deputies would also look into this new problem, in connection with the report that the interior minister submits, inasmuch as it is related to the issue that Congress is currently debating: terrorism in general, "regardless of where it comes from, left or right."

MIR [Movement of the Revolutionary Left]

For his part, the head of the MIR bloc, Gaston Encinas, condemning the new GJZA [General Joaquin Zenteno Anaya National Antiguerilla Command] group, said that the government ought to take every measure to break up this right-wing, fascist organization, which is no doubt seeking political revenge through its own crimes.

He ruled out the possibility that the GJZA was linked to any political party. He said that it could consist of criminals and drug traffickers who are using the names

of individuals who served in the army during the 1967 battle against the guerrillas to commit crimes against the people's security.

Accordingly, Gaston Encinas made it known that the interior minister would be called on to investigate anything having to do with the emergence of the fascist group and to enforce the full weight of the law, just as with the Nestor Paz Zamora Committee, which defends "leftist utopias."

MBL [Free Bolivia Movement]

In the view of Luis Fernandez Fagalde, the emergence of this organization could trigger a spiral of violence with serious consequences for democracy and the peace. Therefore, the government has an obligation to conduct appropriate investigations.

He added that threats hurled anonymously against political and social groups are unacceptable, and therefore the government must use the tools that it has available to uncover the people making the threats.

IU [United Left]

Simon Reyes Rivera, an IU deputy, indicated that an organization like the GJZA should not be underestimated, because similar groups in Brazil, Guatemala, and El Salvador have been protected by or linked to government agencies.

He said that we are returning to an ideological struggle against communism because of the actions that the CNPZ [Nestor Paz Zamora Command] undertook, which do not have the backing of grassroots organizations or opposition political parties.

*** COB Reaction**

91SM0142C La Paz HOY in Spanish 14 Dec 90 p 11

[Text] The Bolivian Labor Federation (COB) is asking the government to annihilate the "General Joaquin Zenteno Anaya" Antiguerilla Command, which burst on the scene with a proclamation that contains threats against political and union leaders, human-right activists, and journalists. It says that the group could cause violence to flare up again in Bolivia.

The communications secretary of the COB, Edgardo Vasquez, indicated that the government must take bold action to break up the group, as it did against the subversive group CNPZ [Nestor Paz Zamora Command], which kidnapped industrialist Jorge Lonsdale. It will thus show that it can also destroy a rightist, antiguerilla group like the GJZA [General Joaquin Zenteno Anaya National Antiguerilla Command].

He said that the appearance of this group has caused enormous concern not only among political and labor leaders and journalists but also among the Bolivian people, who do not want violence. Rather, "we aspire to have social justice and humanitarian treatment at all levels."

Vasquez emphasized that if the government does not achieve this goal, which the people also support, it would mean that the GJZA command enjoys the protection of the Interior Ministry and Armed Forces security agencies.

The GJZA proclamation says that it is an antisubversive organization made up of elements who in 1967 fought the guerrillas led by "Che" Guevara in Nancahuazu, that it has branches in the cities of La Paz, Oruro, Cochabamba, and Santa Cruz, and that its goal is to eliminate the ELN-R [Army of National Liberation], which is a recent outgrowth of the Nestor Paz Zamora Commission.

Just as the Nestor Paz Zamora Commission took the name of a former guerrilla who was killed during the brief Teoponte guerrilla war, the anti-ELN command has taken the name of General Joaquin Zenteno Anaya, who was the commander of the guerrilla actions against "Che" and was later killed in Paris, France; none other than the ELN claimed responsibility for his death at the time.

The COB secretary of international relations, Freddy Ontiveros, stated that the emergence of terrorist groups like the CNPZ and now the GJZA is cause for enormous concern in the COB, inasmuch as these examples of armed violence will unquestionably hurt the COB's grievance rallies.

He explained that paramilitary groups were also organized in Brazil and Argentina for the specific purpose of intimidating political and labor leaders and ultimately executing them if they opposed the official regime, adding that the group that has recently surfaced here says that its mission will be similar.

Ontiveros felt that if this antisubversive or antiguerrilla group calls itself an organization of combatants who fought in the 1967 guerrilla war, its members could be readily identified. Therefore, the government and mainly the Interior Ministry and State security agencies have a responsibility to take immediate action to break it up before it is too late and Bolivia becomes "Colombianized."

Ontiveros feels that the appearance of terrorist groups not only causes greater uneasiness among the citizenry but also represents another danger amid the economic crisis of the workers and the people, because such situations lead to harmful incidents and at bottom pose a threat to our democracy, which was built at great sacrifice, including much loss of life.

Brazil

Foreign Minister Comments on Persian Gulf War

Cites UN Justification for Action

PY1701042091 Rio de Janeiro Rede Globo Television in Portuguese 0309 GMT 17 Jan 91

[Interview with Foreign Minister Francisco Rezek by Alvaro Pereira in front of Itamaraty in Brasilia—live]

[Text] [Pereira] We are here in front of Itamaraty and Foreign Minister Francisco Rezek has just arrived. He will tell us how the Brazilian Government received the news of the U.S. attack on Baghdad. Mr. Minister, how did Itamaraty receive the news and how did you relay it to President Collor?

[Rezek] All members of the government learned about it from the television newscast, which immediately reported the news. Simultaneously, Ambassador Marcilio Marques Moreira transmitted to us U.S. President Bush's communication to President Fernando Collor and we immediately began to analyze the new event, which was foreseen over the last few days. The Brazilian Government still hoped a negotiated solution would be found, but we realized that this solution was highly improbable when UN Secretary General Javier Perez de Cuellar's attempt to obtain peace failed. Perez de Cuellar realized that no negotiations would be possible when he heard the argument about territorial domination from Iraqi officials and President Saddam Husayn. It was no longer the argument that the Middle East issue had to be analyzed in a general conference as a whole, but the argument that Kuwait had been part of Iraqi territory and Iraq had just recovered it, and did not agree to give it back.

[Pereira] Does that mean that the Brazilian Government justifies the use of force against Iraq?

[Rezek] It is not a matter of justifying or not justifying the use of force. Since the beginning of August, the UN Security Council has been rejecting, through several resolutions, the invasion, occupation, and annexation of Kuwaiti territory by Iraq. The Security Council finally authorized the use of any measure necessary to force Iraq out of Kuwait if the Iraqi Government refused to do so by the 15 January deadline. The Security Council authorized the use of any measure, including military, to reverse the situation. The initiative could be taken by any country willing to do so. The Security Council did not force member countries to take the initiative. Geopolitical reasons, however, made some countries take the initiative against Iraq instead of others.

[Pereira] How does the Brazilian Government evaluate the U.S. operation? Do you think that in a way, the first reports already indicate a U.S. victory, a short-term war as the Brazilian Government has wished for?

[Rezek] The few first reports indicate a firm, successful operation to which there has been no apparent reaction. There is news that some Iraqi planes are flying toward some part of the Saudi coast, but this is all.

It would be imprudent, however, to proclaim a stunning, decisive, and swift military action before the day dawns in Iraq. We know that some Iraqi Army equipment can only be used in daylight. This is why we cannot be certain of an immediate conclusion.

[Pereira] Thank you very much for the news. At 0800 tomorrow, Minister Rezek will attend a cabinet meeting

summoned by President Collor to discuss developments in the Persian Gulf conflict.

Last-Minute Call for Peace Noted

*PY1601232291 Brasilia Domestic Service
in Portuguese 2100 GMT 16 Jan 91*

[Text] The Brazilian Government still maintains hope that an armed conflict in the Persian Gulf can be averted. This remark was made by Foreign Minister Francisco Rezek today after a working session with President Fernando Collor at Planalto Palace to evaluate the situation in the Middle East.

Rezek believes that Saddam Husayn could recant his decision and announce his withdrawal from Kuwait because it cannot now be said that Iraq bowed to the UN ultimatum for him to withdraw from the country he invaded. Rezek reaffirmed that Brazil is willing to participate in negotiations to resolve the problems in the region. Minister Rezek conveyed this offer by phone to UN Secretary General Javier Perez de Cuellar, and asserted that Brazil is a country with the credentials to participate in that task.

Minister Rezek revealed that he and President Collor discussed the proposal by Venezuelan President Carlos Andres Perez for an extraordinary session of the Rio Group to evaluate the Latin American situation should hopes for peace be dashed and war break out. According to the minister, foreign ministers from the Rio Group countries—Brazil, Argentina, Uruguay, Chile, Ecuador, Peru, Colombia, Venezuela, and Mexico—are in constant phone contact.

Security Tightened After Iraqi Terrorist Threats

*PY1601134491 Brasilia Radio Nacional da Amazonia
Network in Portuguese 0900 GMT 16 Jan 91*

[Text] As of today the Federal Police will increase police protection at international airports, ports, and border posts throughout the country in view of the growing tense atmosphere in the Persian Gulf.

This decision was made by Federal Police Director Romeu Tuma, after an Itamaraty Palace meeting with the members interministerial group created last August to closely follow the evolution the Persian Gulf crisis.

The tightening of security, especially at the Rio de Janeiro and Sao Paulo airports, was prompted by the Iraqi Government's threats to promote terrorist attacks throughout the world.

In Brasilia, the Federal Police have implemented its maximum security plan at the embassies in view of possible terrorist attacks, demonstrations, or public acts against the countries involved in the conflict.

In addition to soldiers of the Rio Branco squadron, who specialize in guarding embassies, Iamaraty has requested the direct participation of members of the Federal Police.

Pro-Government Congressional Bloc To Be Formed

*PY1601144291 Brasilia Domestic Service
in Portuguese 2100 GMT 15 Jan 91*

[Text] President Fernando Collor seeks a broad national understanding and a base of support in Congress. This is why he recognizes the leadership represented by the governors-elect, and is sponsoring the formation of a bloc to support the government in Congress.

President Collor has authorized the leaders of the parties which support the government to immediately form a government-support bloc in Congress. This was announced by PFL [Liberal Front Party] leader Deputy Ricardo Fiuza following the usual Tuesday [15 January] luncheon President Collor holds at Planalto Palace with party leaders in Congress.

[Begin Fiuza recording] The objective of immediately forming a government-support bloc is to avoid a dictatorship by the PMDB [Brazilian Democratic Movement Party] which maintains a system that is extremely harmful to the rest of the parties. It is our idea to form a bloc at the beginning of a congressional term so that we may discuss as equals the formation of committees and election of legislative authorities. [end recording]

Ricardo Fiuza also praised President Collor's decision to talk with the governors-elect about a national understanding.

[Begin Fiuza recording] The president is not trying to reinstate a policy of governors in the classic sense of the term. The president acknowledges the leadership represented by the governors in their states and congressional blocs, so he is trying to democratically reach a national understanding. That is, the president is seeking a support base in Congress, and the governors are essential in this plan. [end recording]

This week President Collor will receive the governors-elect of Sao Paulo, Bahia, Pernambuco, and Minas Gerais.

Finance Secretary Views Public Companies' Debts

*PY1601114691 Brasilia Domestic Service
in Portuguese 2100 GMT 15 Jan 91*

[Text] This week the government will begin to negotiate the public companies' debt to the private sector. New Finance Secretary Luis Fernando Welch has already defined the first measure he adopted as the head of his secretariat. This week he will begin negotiating with the private sector the payment of the public companies' debt. Although he did not reveal the amount of the debt, he said that the largest debtors are the power and metalworking companies. Welch said he will call private

sector representatives to discuss the form of payment, something which the government has already defined.

[Begin Welch recording] Part of the payment will be made in money, part in nonoperational assets from the public companies, and part in some kind of debt paper following negotiations to roll over the existing debt. [end recording]

Secretary Luis Fernando Welch, who took office today, did not rule out possible changes in the following directorates: National Treasury, Federal Revenue, and Federal Public Property, which are all part of the Finance Secretariat.

Chile

President Aylwin Addresses Nation on Gulf War

*PY1701032891 Santiago Television Nacional
de Chile Network in Spanish 0217 GMT 17 Jan 91*

[Address to the nation by President Patricio Aylwin from Puerto Montt—live]

[Text] At the very moment I was climbing onto this stage I was informed that war has broken out in the Persian Gulf. This is painful for humanity. No one can be happy when human beings kill each other. The UN tried to avoid this war and to achieve a peaceful solution to this conflict. Yesterday afternoon I learned that the UN secretary general was still trying to achieve peace. May God allow him to be successful. Everything, however, seems to indicate that he has failed. We may have to witness a war that, even though it is occurring far away, is painful for humanity.

The UN was right to condemn Iraq's invasion of Kuwait. An elementary principle of right and justice demands that we do not accept such an attitude.

Although far from the war scenario, Chile will suffer its consequences and will be affected by the conflict. The region where the war is taking place is the world's largest oil-producing region. An oil shortage as a result of this war will affect our economy. Imagining that this war might occur, the government adopted measures to have enough oil reserves for a few months. The war will also affect the price of oil. Chile imports 85 percent of the oil it uses. Naturally, the war will cause the price of oil to increase and foreseeing this, the government submitted to Congress a law creating the so-called Oil Compensation Fund. Thank God, we promulgated this law the day before yesterday. As a national law it will allow us to prevent, at least for a while, excessive imbalances in the price of oil.

Chile will have to make sacrifices and will have to make an effort to reduce the use of oil and gasoline. The government will adopt measures to rationalize the use of this element, which is so necessary for our economy. If the war lasts very long, it will create difficulties for the international economy and this will probably affect our

exports. The products imported by Chile may become scarce and more expensive. In addition, it may become more difficult to export and sell some of our export products. The government is ready to face these difficulties, but we call for the people's cooperation.

I pray to God that this conflict will end soon and have the smallest number of victims possible. May peace return to the earth and remain for a long time. May God help us face this emergency effectively and with a spirit of solidarity that will help us overcome these difficulties.

My friends, I did not expect to have to discuss this topic with you here today, but informed of the beginning of the war, I felt that I had to comment on it and convey my ideas on the topic. I call on all Chileans to accept this responsibility without false alarm because the situation is under control and there is no reason for fear. We must realize, however, that mankind is going through a hard moment and this hard moment is being shared by we Chileans and we must act accordingly.

Silva Says Mideast Envoys Authorized To Leave

PY1601125691 Santiago Radio Nacional de Chile
Network in Spanish 1000 GMT 16 Jan 91

[Text] Chilean Foreign Minister Enrique Silva Cimma has reported that Chilean ambassadors to the Middle East have been authorized to leave their embassies if they find it necessary in the event of war in the region.

The foreign minister said he personally gave these instructions over the phone to Chilean ambassadors in Israel, Egypt, Saudi Arabia, Jordan, and Syria. Some ambassadors and some personnel remain in those missions. Nonessential personnel and their relatives were evacuated last week from those missions aboard a special Chilean Air Force plane.

The foreign minister said he was pessimistic about the achievement of a peaceful solution to the conflict.

[Begin Silva recording] Unfortunately I do not see any way out of the conflict or any improvement to the situation experienced yesterday. Of course today there is absolutely nothing that could lead to some peaceful solution to the problem. [end recording]

He added that the Chilean Foreign Ministry is in continuous contact with the Rio Group and that this organization will release an official statement on the Gulf crisis in New York.

The Rio Group is made up of Argentina, Brazil, Bolivia, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela. The foreign minister has also reiterated Chilean support for all UN resolutions concerning the conflict, and he added that Chile will not get involved in an armed conflict, but will only grant some humanitarian aid to the region.

Mormon Church Bombed To Protest U.S. in Gulf

PY1701024291 Santiago Radio Nacional de Chile
Network in Spanish 2200 GMT 16 Jan 91

[Text] A bomb was planted in a Mormon church in (Quilfue), presumably to protest the U.S. intervention in the Persian Gulf.

Dealings by Pinochet's Son, Al-Qadhdhafi Noted

PY1701020891 Santiago Television Nacional
de Chile Network in Spanish 1700 GMT 16 Jan 91

[Text] Christian Democratic Party Deputy Eugenio Ortega has confirmed that Augusto Pinochet Iriart informed a Chamber of Deputies investigative committee yesterday that he did business with Libyan leader Mu'ammar al-Qadhdhafi. Ortega said General Pinochet's son hinted that the Libyan leader gave him funds for commercial operations in the (?PSP) [expansion unknown] arms manufacturing enterprise. Augusto Pinochet Hiriart was questioned for over two hours by the Chamber of Deputies committee on how he received three Army checks for almost 1 billion pesos. Asked about the subject, Deputy Jorge Schaulsohn said there was a link between Pinochet Iriart and the Libyan leader, and that the link consisted of only advisory services.

'Significant' National Reconciliation Initiative

PY1601151491 Santiago Radio Nacional de Chile
Network in Spanish 1000 GMT 15 Jan 91

[Excerpts] The proposal made by Senators Maximo Pacheco, Sebastian Pinera, Laura Soto, and Ignacio Perez Walker states that intolerance, injustice, and poverty are the worst enemies of peace.

The proposal, that seeks to harmonize points of view necessary for Chile's reconciliation, has been submitted to the president of the Republic and has received the Senate's support.

Only a few guidelines of the initiative have been made public. It is considered a significant national initiative, and has the merit of unifying the points of view of the political parties represented in Congress—be they government or opposition—that not only committed themselves to adopting the proposal at the end of the month but also to forming a political bloc to iron out all disagreement that may appear during 1991.

The meeting was held at Senator Sebastian Pinera's office. Pinera voiced his optimism over the initiative—for which he too is responsible. He especially noted that many sectors consider the proposal utopian because there are still traces of resentment in Chile. [passage omitted]

Andres Zaldivar, chairman of the Christian Democratic Party, said that all the politicians had voiced their support for the initiative and that they have agreed to meet periodically in order to render feasible the proposal

for peace and the understanding among Chileans in the process of building democracy. [passage omitted]

Zaldivar added that the same political bloc will jointly analyze the civilian-military relationship, including the Armed Forces' role in the future democratization process.

National Renewal Party Chairman Andres Allamand stated that there is a full agreement to search for a more harmonious coexistence in the future. [passage omitted]

Allamand said that he envisioned a new political stage that will contribute to the Chilean people resuming the path of reconciliation. He said that this initiative has political importance due to the difficulties this year will bring. [passage omitted]

Colombian Trafficker Taken; Drugs, Money Seized

PA1601165291 Madrid EFE in Spanish 1744 GMT
15 Jan 91

[Text] Santiago, 15 Jan (EFE)—Police sources have reported that a Colombian murderer was arrested today with two Chilean accomplices. The hit man was hired by the "Medellin Cartel" to travel to Chile to kill a man who had swindled the cartel.

The Investigations (civil) Police reported that the Colombian was identified as Carlos Coclaso Barrios, 26. His mission also included opening a corridor in Chile for trafficking cocaine from Colombia to Europe and the United States.

The sources said that Coclaso had to kill a Chilean nicknamed "The Easter islander" whom the cartel had hired in Guayaquil to take four kg of cocaine to Europe. Coclaso did not fulfill his contract and kept the drugs for himself. The police said that they know the identity of the "Easter islander," who remains at large.

To open the drug corridor, Coclaso settled in Ovalle, 411 km north of Santiago, where he recently married a local girl. He contracted Jose Canihuante Mondaca and Raul Barrera Espinoza, who were also arrested by the police. Canihuante lived in Colombia for 17 years, the sources said.

The police also reported the seizure of 800 grams of cocaine worth 20 million pesos (\$65,000), 22 million pesos in cash (\$71,000), and two vehicles.

Colombia

Pablo Escobar Details Possible Terms of Surrender

PA1601133891 Bogota Radio Cadena Nacional
in Spanish 1215 GMT 16 Jan 91

[Text] Pablo Emilio Escobar Gaviria, accused by authorities of being the leader of the Medellin drug cartel, has told the Spanish magazine INTERVIU that he is willing to turn himself in to authorities if an international observer group is formed to watch over his surrender.

In an interview granted to the European publication, Escobar Gaviria proposed that the National Constituent Assembly appoint a negotiating commission to establish contact with him to begin his voluntary surrender to the Colombian legal system.

To date, seven Colombians have accepted Decrees 2047 and 3030 of 1990, through which the administration of President Cesar Gaviria Trujillo ordered the suspension of extradition and the reduction of sentences for drug traffickers and paramilitary men who voluntarily surrender to authorities. Those citizens who have already turned themselves in are: Gonzaga de Jesus Perez, Gustavo Garzon, Gonzalo Mejia Sanin, Eduardo Tribin, brothers Fabio and Jorge Luis Ochoa Vasquez, and paramilitary leader Otoniel Vanegas Perez.

Police Repel FARC Attack on Tolima Town

PA1601174291 Bogota Inravisión Television
Cadena 1 in Spanish 1730 GMT 15 Jan 91

[Text] For more than five hours today, 15 policemen resisted an attack on the town of Roncesvalle, Tolima Department, carried out by rebels of the 21st FARC [Revolutionary Forces of Colombia] brigade early this morning. The rebels completely destroyed the police precinct and looted the Agrarian Bank. In the attack, four policemen were seriously wounded and five rebels were killed. Army helicopters and policemen succeeded in entering the town at 1100, despite harassment operations against them barely two km away from the city.

[Begin recording] [Policeman Gilberto Vargas] At 0340, the first shots were fired, and 15 minutes later the shooting began in earnest.

[Unidentified reporter] How many guerrillas were there?

[Vargas] We cannot tell yet, because we could not count them from our trenches. [end recording]

This is the second FARC takeover in this department in barely one month. Although the police precinct and Agrarian Bank were completely destroyed, the exact amount stolen by the rebels is not known yet.

*** Study: Counternarcotics Policy Lacks Coherence**

91WD0282A Bogota EL TIEMPO in Spanish
15 Dec 90 p 3-a

[Report on study prepared by the University of the Andes]

[Text] Even though the drug trafficking problem has burdened the nation for the past two decades, the government's manner of dealing with it still lacks coherence; on the contrary, its handling of the problem has steadily worsened.

Furthermore, the type of relationship between the Colombian government and the United States has limited Colombia's decision-making capability. Nevertheless, the size of the drug business is not as immense as many people believe, and the share of the business for which Colombians are responsible is considerably less than the figures talked about on the street. These are some of the conclusions of an investigation conducted by the University of the Andes on the drug trafficking problem in Colombia.

"There has been no long-term coherent and sustained government policy to deal with drug trafficking," claims the study, which is to be presented next Tuesday. In the eyes of the investigating team, this is the first serious attempt to correct the lack of serious investigation of this matter. The analysis was prepared with scientific precision; it challenges some points of view in the controversy, and evaluates and offers alternative solutions.

Among the persons responsible for this investigative study are Colombia's newly chosen attorney general, Carlos Gustavo Arrieta, formerly dean of the law school at the University of the Andes.

The conclusions of this record of 12 years of the "war on drugs" are certainly going to irritate many Colombians, including the last three heads of state. But more importantly, they may perhaps encourage an in-depth debate on the urgency of radically redesigning Colombia's counternarcotics strategy. It is important to note that the so-called extraditables have asked that the contents of this study be released.

The investigation covers four areas: the emphasis on and result of criminal penalties against drug trafficking; the impact of illegal activities on the nation's economy; the drug trafficking-government relationship; and the issue of drugs as the number one topic on Colombia's diplomatic agenda with other countries, particularly with the United States.

The first issue considers Colombia's drug criminalization policy. The analysis by these experts concludes that the antinarcotics strategy has been dominated by three essential positions, not just in Colombia, but throughout the rest of the world as well.

The first of these positions involves the extreme harshness of criminal penalties and the continuing use of police and military tactics. The second position attempts to minimize the use of criminal penalties, and seeks to implement alternative antinarcotics methods. The final one favors legalizing drug production, trafficking and consumption, as a realistic solution to the drug scourge.

In Colombia, notes the study, the solution to the drug problem has concentrated exclusively on the first perspective: the repression of crime and its perpetrators and strengthening of the police state. In this respect, the study states: "As repression does not keep the drug

trafficking problem from growing worse, when this happens, it leads to more repression, which aggravates the problem still more, and so on."

"Therefore, serious doubts do exist about the efficacy and appropriateness of the official position of maximizing the use of criminal penalties. And the scope and extent of its application are not clear. Should this emphasis on criminal penalties be maintained until the violence associated with drug trafficking ends, until consumption disappears, or until pressure from the United States comes to an end?"

According to the experts' view, in the legal arena Colombia should give serious consideration to strengthening its domestic judicial system and moving toward a more modern concept of criminal law which can consider alternative formulas for prosecuting drug trafficking and its attendant scourges.

On this point, the study warns: "If at least one important drug trafficking case is not tried, the country would still remain exposed to the problems of impunity; in fact, this is tantamount to underground legalization."

The University report concludes that the solution must be linked to a verifiable dismantling of the drug business. The investigators recommend using the Drug Commission established in 1961 and an international drug inspection board, an agency with solely advisory powers, which could appoint a committee to verify the dismantling of the drug business.

Drug Trafficking and Policy

The other area of analysis is also the title of this section of the study: "Drug trafficking and policy: between repression and dialogue." It criticizes the inconsistency of the counternarcotics strategies used during the last three government administrations, and explores the reasons behind drug terrorism and other forms of violence.

The Colombian state's institutional weakness and its wavering attitude, oscillating between repression and dialogue, have enabled drug trafficking to become solidly entrenched in Colombia, "to such an extent that it has established strong roots in political institutions, in political parties, the unions, the communications media, sports, etc."

In addition, the study points out that absolute ambivalence has prevailed in drug policy strategy. "While drug traffickers have been rejected in the political arena, in the economic field they have been accepted... Illicit wealth is criticized, but legally and economically it is legitimized."

The experts' recommendations suggest establishing a single, coherent policy in which some aspects—economic aspects—will not be determined by practical interests, and others—social and political acceptance—will not be decided on the basis of moral grounds.

"In the political arena, it would not seem appropriate to allow the agenda of the forthcoming National Constituent Assembly to become 'narcoticized.' Expectations for modernizing the nation are very high, but in 1991 we may only obtain formal constitutional changes, as the drug trafficking issue is absorbing most of the energy and is the subject of the majority of the debates by members of the Constituent Assembly."

"The present administration should make some crucial short-term policy decisions in this area. In this context, the administration of President Cesar Gaviria may have a great historic opportunity to create a true state policy on drug trafficking, with sufficient social backing and political consensus. Allowing this occasion to slip by, on the grounds of keeping government spending down, would mean losing a real possibility for leadership."

Finally, the investigators suggest creating an administrative body to control the counternarcotics strategy, even a government advisory committee in this area.

The Economy and Drug Money

The second area covered by the study deals with the relationship between the flow of dollars and the nation's economy, and it sheds light on some old theories and beliefs. To start with, the investigation makes it clear that "the extent of the drug trafficking business in Colombia is less than what is frequently believed."

"By using a methodology concentrating on production indices, we obtained estimates placing the maximum cocaine production at 198 tons in 1980, and 453 tons in 1988. By applying the prices current at those dates, even if there had been absolutely no raids, no consumption or local losses at all, exports from all the producing countries during the 1980-1988 period could not have exceeded \$12.960 billion."

Colombia's participation in this share of the drug business, observes the study, oscillates between \$1.5 and \$4 billion, "amounts which are much lower than the figure of \$25 billion which has been talked about."

The experts agree that even though the influx of foreign currency from drug trafficking is of some benefit for the Colombian economy, "its economic and social costs are very high... The great instability produced by drug trafficking slows down and tends to block the return of capital and the arrival of foreign investment."

In the view of these investigators, decriminalization of the drug business would shatter earnings. They essentially advocate putting an end to the double standard of morality which has prevailed in the antinarcotics effort.

As a result, the strong positions which have supported serious criminal measures work against the promulgation of economic measures designed to facilitate capital recovery. "The purchase of foreign currency by the Bank of the Republic has a favorable impact on reincorporating money of legal origin, but it also allows the gradual

return of drug trafficking fortunes. The tax amnesty at a time of the cocaine bonanza increases the future potential of tax collections, but it also helps to legalize underground earnings coming from the narcotics business."

The investigation advocates severe restrictions on these illegal money channels and says that "not only does it not seem appropriate to ignore the existence of an underground drug economy, but it is not advisable to maintain a 'tolerant internal rhetoric and at the same time an external critical position about money laundering.'"

Policy Toward the United States

The following are specific recommendations made by the investigators: In international terms, especially in dealing with the United States, the relationship centered around drugs should be "debilateralized" and the agenda between the two governments should be "denarcoticized."

The effort concentrating on linkage between the antidrug effort and the restoration of the Coffee Pact (as during the Barco administration) may not be so effective; it produces an almost inexorable linkage between issues, it wastes the nation's diplomatic efforts, and it is not in harmony with Colombia's strong export program, even without the coffee agreement. If a thematic linkage is accepted, it should focus more on the area of the debt (which has not been done) and business (which seems of interest to the Gaviria administration). The essential thing would be to evaluate the cost/benefit ratio of any thematic linkage initiative in the mid and long term periods.

For example, it might be effective to try to transfer the costs of the counternarcotics effort to the United States on a symbolic level, at least initially: Colombia could propose that the OAS [Organization of American States] and the United Nations decertify nations which are not doing enough to control and reduce drug consumption; initiate a clearer discourse on the costs of prohibition for Colombia; strengthen diplomatic endeavors in this area with European countries which are less "tense" and "uptight" in terms of the drug trafficking issue; and increase its political overtures toward other Latin American countries affected by the centrality of the drug issue in their respective relations with Washington.

It would be beneficial to foster a diplomatic style between Colombia and the United States in which each partner would mutually accept and respect the natural existence of points of agreement and disagreement about the best way to handle the drug issue. And finally, it would be of value to propose creating a binational panel to study drug trafficking and seriously evaluate the last two decades of Colombian-U.S. "narco-diplomacy" and formulate practical recommendations for the mutual benefit of both governments and societies.

*** Gaviria Defends Counternarcotics Policy**

91SM0154A Bogota EL TIEMPO in Spanish
21 Dec 90 pp 1-a, 10-c

[Interview with President Cesar Gaviria Trujillo by ABC news on 20 December; place not given]

[Text] President Cesar Gaviria Trujillo emphasized yesterday that the surrender of drug trafficker Fabio Ochoa was not the result of any negotiation with the drug traffickers "because no one is negotiating." This development, on the contrary, means that the Colombian judicial system is being strengthened.

He indicated this in an interview granted to the U.S. television network ABC News. He also stated there that drug traffickers are turning themselves in, and no one is giving them anything in exchange.

Here is the full text of the interview:

[ABC] What do you think of Fabio Ochoa's confession? I suppose it came as rather a surprise to you that he decided to surrender and confess. What does this mean?

[Gaviria] I believe it is very important for the government, for the Colombian people and for everyone in the world that our new policies, based on the Colombian judicial system, are working and that this man and others have surrendered in recent weeks. We are not certain whether we can really eliminate the demand for cocaine in the world, but we can make sure that this cocaine business leaves Colombia, and I think we are making progress on that.

[ABC] In other words, you think that this surrender is a sign that your peace plan is working?

[Gaviria] This is not a peace plan; it is a judicial system, a proposal to strengthen the judicial system. We are doing that. We are not engaged in any peace process, only an effort to strengthen the judicial system in Colombia, and that is what we are doing. We are not engaged in any type of political negotiation, as some may say. The best news we can have is that justice in Colombia is strong enough for these people to turn themselves in and confess their crimes.

[ABC] Why do you think this man surrendered? Why do you think this happened? [Gaviria] Because in the last few years the authorities have really corralled them, so they are scared, and now they would rather turn themselves in than continue these criminal activities.

[ABC] What punishment will this man have to face? I ask this because there are many people in the United States who believe that he is confessing to escape extradition to the United States, where he would face a very severe sentence.

[Gaviria] No. They would not face such long sentences, but we need the cooperation of your authorities because of the charges you have against this man. That is very important to us: the cooperation of your judicial system

with Colombian authorities. This system will work only if we have the total cooperation of your authorities.

[ABC] So what are you asking? This is your chance. What do you want our authorities to do in the case of Fabio Ochoa Vasquez?

[Gaviria] Total cooperation with the Colombian judicial system. I think this is essential so to make this work, because all the evidence to try this man must be brought to Colombia. Thus, he will have to face a long sentence, not a short one.

[ABC] Have you already been in contact with the U.S. authorities?

[Gaviria] No. We are just making a few contacts, and we are sending the ambassador in the United States. A few U.S. officials who will be coming in the next few weeks will be told that it is absolutely essential that they cooperate completely with the Colombian judicial system.

[ABC] And what if the U.S. authorities come here and provide evidence in Fabio Ochoa's case that they have cocaine trafficking and murder charges—will that be used here against him?

[Gaviria] Yes, any evidence the United States provides to the Colombian authorities will be used under the Colombian judicial system.

[ABC] What are you trying to do with this plan in terms of violence in Colombia?

[Gaviria] We are satisfied. We do not have a lot of terrorism now; we have a few kidnappings of journalists, but we do not have all those bombs in the streets every day, which was so terrifying to Colombians. I believe that the surrender of these people is much better for Colombia than having bombs every day in Colombian streets; therefore, we are giving the Colombian population a better situation. Now the kidnappings have caused a certain amount of confusion to journalists and the media. They say we may be engaging in some type of negotiation, but we are not. We will never accept that, and we will never have policies of negotiation with these people.

[ABC] But there is a certain perception that the government is negotiating with the drug traffickers. In fact, there is news abroad, you have heard it, that the Colombian Government is talking to the drug traffickers. How do you respond to that?

[Gaviria] No. I think that having one of them in jail is not evidence that the policy is not working, or, as people imagine, that we are engaged in negotiations. It is just that the policy is working and they are surrendering; the facts are there, they are surrendering, we are not giving anything in exchange. Now, internally, we have had discussions; it is not easy to have a new policy and not have any discussion. Yes, even some people in the

government said that it was not a good idea, but the facts are there, the policy is working, it is yielding results, and that is all.

[ABC] Some people say he turned himself in just to avoid extradition to the United States, where he would have to face a life sentence if he were convicted. In avoiding extradition, he would confess to the crimes knowing that he would receive a lesser sentence. There are questions about whether justice is really being done. How do you respond to those charges?

[Gaviria] He cannot receive a life sentence because the extradition treaty says ...

[ABC] Yes, 30 years ...

[Gaviria] The maximum sentence in Colombia is 30 years. We cannot accept the idea of giving Colombians life sentences because our Constitution says that we only have sentences of a maximum of 30 years.

[ABC] Mr. President, I understand that 30 years is the maximum, but if he confesses he will receive a sentence of just a few years; so justice would not be done. How do you respond to that?

[Gaviria] Any person who faces extradition and cooperates with the U.S. judicial system will receive a lesser sentence. Therefore, it is the same here as in the United States. Moreover, he is turning himself in voluntarily; he was not captured. If he had been captured, he might face extradition. But now he has cooperated totally with Colombia; he has confessed to his crimes; he is cooperating with the Colombian judicial system; therefore, he may get a shorter sentence than he would if he had been captured by Colombian authorities.

[ABC] Do you really expect him to confess to all the charges against him before a judge, just to satisfy the requirements for not being extradited? In other words, do you really believe he will cooperate totally?

[Gaviria] The system works on one side or the other. If he confesses to all his crimes, he will have one sentence. If he only confesses to part of the crimes, not all, we will expect the U.S. authorities to give us the evidence so that we can try him for all the crimes he has committed.

[ABC] In that case, what reason is there for other drug traffickers to surrender? I think they might be frightened because they could get a longer sentence.

[Gaviria] Because they prefer Colombian justice. I mean that they are afraid of going to another country or facing jail.

[ABC] Now that they are turning themselves in, do you think justice will really be done to satisfy all those people who have been victims of the struggle, after having suffered long enough, and all those murders of political leaders?

[Gaviria] No, that is not an easy road, but it is a road. The Colombian judicial system is a road, and it is the best road. Extradition can only be a complementary policy, it cannot be everything. The people who planted the bomb on the plane must be tried in Colombia, because the crime was committed in Colombia, not in the United States. They must face the Colombian judicial system; they cannot go to the United States for a crime committed in Colombia.

[ABC] There are those who believe that Colombia will now be a haven for drug traffickers, that the struggle will be abandoned, that extradition will be forgotten. The drug traffickers will face lesser charges here, they will be out of the country in a few years, and they may return to the business. How do you respond to the people who think this way?

[Gaviria] I do not believe that. This society has given so many lives and has fought so hard, they cannot say that about Colombia. We have lost three presidential candidates; we have had thousands of deaths, I do not know how many judges and magistrates. The fight has been in Colombia, not in the streets of Washington; the fight has been here in Colombia. And we have lost thousands of lives this year in Colombia fighting the drug traffickers. You cannot say in the United States that this is a haven for drug traffickers, because the greater effort has been made by Colombia, not the United States.

[ABC] How do you feel when you hear that said in the United States, Europe, or other countries, where the demand is so high?

[Gaviria] The people in those countries have their doubts because they want to fight hard. They are afraid that this new policy may give the drug traffickers a break. But it is not just those people; even in Colombia there are those who feel we are going to go easier on them. If you look at the facts, the hundreds of lives we have given and the efforts we have made, you cannot reach that conclusion. I can accept that discussion, those questions posed by journalists, but now the policy is yielding results.

[ABC] People say in Colombia and in Washington that this government is going easy on the drug traffickers ...

[Gaviria] I think it is because of the new policy. It is normal that if we have not had bombs, some questions arise.

[ABC] I understand your point of view. That is what we have heard more than anything else: Colombia is giving up, it is going easy on the drug traffickers. What is your response?

[Gaviria] No, we have been as tough as ever on these criminals.

[ABC] Are you frightened at the international reaction to this policy? Are you afraid Colombia's reputation will be damaged by this?

[Gaviria] We know that at this time people have questions about this policy, but if this policy works well, in a few months this confusion will be resolved and people will agree with it.

[ABC] What do you anticipate, Mr. President, with regard to the surrender of other drug traffickers? Do you expect that they will turn themselves in soon, or do you have any information in that regard?

[Gaviria] Ochoa has been the only case. We have other cases, some are public, others do not want the public to be informed. Other leaders of the cartel may be taken in.

[ABC] There is one thing that leads people to believe the government is going easy on the drug traffickers, and that is the question of the special jails. These people will live in luxury and comfort. How do you respond to that?

[Gaviria] If you go to a jail in Itagui, you cannot say it is luxurious. They are not asking for a luxurious jail; they want a jail where they can be safe, where people from outside cannot kill them. That is the guarantee they are asking for. They are not asking for luxury. And no one will guarantee luxurious jails.

[ABC] Some believe these drug traffickers will come, confess, spend a few years outside, and then return to the cocaine business without having to worry about extradition ...

[Gaviria] This decree protects those who have committed crimes prior to 5 September of this year. If anyone commits a crime afterwards, he cannot be protected.

[ABC] Taking into account the Constituent Assembly, what is the future of extradition here in Colombia? Will it be abolished?

[Gaviria] I do not know. I cannot be sure about anything that may follow or not follow. That is why our greatest concern and our greatest efforts are aimed at strengthening the judicial system in Colombia. Even the U.S. authorities recognize that extradition is just a second option.

[ABC] In your heart, do you really feel that extradition will end?

[Gaviria] I do not know what will happen. The government will defend extradition in the Constituent Assembly. We believe that extradition is an important part of the antinarcotics policy, but we cannot be certain that the Constituent Assembly will keep it.

[ABC] Any final comments?

[Gaviria] We just hope the international community will stand by Colombia; we are really putting our best effort into the struggle against drug trafficking. We hope that the international community will give the new policy a chance, as it is part of our struggle against drug trafficking. We will not abandon the fight, even if the international community does not accept the new policy.

The United States has not helped much in the fight; we are still waiting for international aid. The United States has not done anything yet.

Ecuador

'Subversive' Group Abandons Consulate Peacefully

PA1601180191 Paris AFP in Spanish 1653 GMT
16 Jan 91

[Text] Quito, 16 Jan (AFP)—Members of the former subversive Alfaro Lives Dammit (AVC) group peacefully abandoned the French Consulate in Guayaquil, while demonstrations asking for peace in the Persian Gulf continued today.

Rosendo Santamaria, leader of the group occupying the consulate, said that five AVC members, among them four women, entered the consulate on 15 January and locked themselves in together with French Consul Francois Dourin and his wife Brigitte in "support of the peace initiatives in the Gulf and the French proposal."

During the night, the police withdrew from the consulate area, at the request of Dourin, and the AVC left without any incidents.

Dourin said that the French Embassy in Quito has transmitted the AVC statement to the French Government. The AVC reached a peace agreement with the government in 1989, and has announced that it will lay down its arms in February.

Meanwhile, in Quito, the French, U.S., and German Embassies were attacked on 15 January (the two former with low-intensity bombs, and the latter with a smoke bomb), causing no casualties or damage. Diplomatic missions from the allied countries deploying military forces to the Persian Gulf received additional police protection this morning.

There were street demonstrations all day, 15 January, against war in the Persian Gulf. The demonstrations continued today, accompanied by prayer meetings and fasting by religious organizations.

Paraguay

Articles Assess New Stage in USSR Relations

PY1701011091

[Editorial Report] Asuncion HOY in Spanish on 13 January publishes on pages 3 and 4 of its political section four signed articles on the status of Paraguayan-Soviet relations.

In a 560-word article on page 3 by Rene Baez entitled "Independent Attitude," the author says that the USSR no longer has a "frightening image." He says that this did not occur as a result "of perestroika, but because we

Paraguayans have changed." He then analyzes the Paraguayan dictatorship's strict anticommunist position, which lasted many years and was used as an excuse to persecute all members of the opposition. He adds that this position deprived Paraguay of technological, scientific, and cultural exchanges and of a market with over 300 million consumers, although it did not prevent Soviet and Chinese products from entering the country through Chile.

Baez points out that a new era is beginning and that agreements signed with the Soviet Academy of Science and Paraguayan businessmen's visits to Moscow show how easy it is to open new markets and show the prejudice in the previous Paraguayan attitude. He then states: "For over 50 years the developed countries have been enjoying trade relations with the USSR and have been exchanging all types of information with the Soviets, including in the field of space experiments." He explains that the Paraguayan attitude is changing and this new era in Paraguayan-Soviet relations is largely the result of changes occurring in Paraguay. "For the first time, Paraguay is focusing its attention on the eastern countries and is realizing that there is only one world and that nations can coexist despite the prejudices imposed by the North Americans." In conclusion, Baez says: "The important thing is that Paraguay is getting rid of this dependence."

Manuel Pessoa, in a 940-word article on page 3 entitled "A Reasonable Attitude Toward the Soviet Union," analyzes the three periods in Paraguayan-Soviet relations, which began in 1870. He comments on the Paraguayan people's sympathy for the suffering Russian people and their rejection of the communist revolution and the sinister Soviet dictatorships and their evils, which "we Paraguayans understand very well since we had Gaspar Rodriguez de Francia's gloomy dictatorship." Pessoa then mentions the Paraguayan people's gratitude for the Soviet sacrifices during World War II and their sadness about the "enslaved" situation of the Soviets in their own land and of the other peoples living behind the Iron Curtain. He claims that, as a liberal, he has to be anticommunist, although he strongly rejects ill treatment of Paraguayan communists.

Continuing, Pessoa says: "We must now observe the crumbling of communism in the USSR and in countries that were dominated by the Soviets." He adds: "If the USSR is becoming more democratic, there is no reason to avoid establishing normal relations between the two countries, although the first attempt to do so was unfortunate." Unluckily, the author says, the Soviet official who came to Paraguay decided to preach about Marxist-Leninist principles, and this did not work. To enjoy good bilateral relations, Pessoa says: "Each party must respect the other party's political philosophy and govenal system."

In an article on page 4 entitled "Fluid Relations Favor World Peace," Hiro Ballasch comments on the previous regime's foreign relations, which he believes were an

"attack" on the Paraguayan people's intelligence. He compares the previous regime's foreign relations to those prevailing during Foreign Minister Luis Maria Argana's period as head of the Foreign Ministry. He says things are different now—not only because Alexis Frutos Vaesken is the foreign minister, but also because historic communist dictatorships have crumbled and the current Paraguayan Government is more flexible with regard to the possibility of direct relations with the USSR and Eastern European countries. One of Paraguay's main reasons for seeking this rapprochement is its interest in trade relations with the socialist countries. The opening of the Paraguayan Foreign Ministry, Ballasch says, shows that ideological barriers "must be gradually overcome in favor of the establishment of fruitful relations, which must be conditioned to the principles of noninterference in our domestic affairs and respect for our national sovereignty. This opening must occur not only in the official sector, but also at the level of the people, who used to be systematically exposed to positions opposing a pluralist coexistence." This mental opening will increase as the number of cultural and scientific exchanges increase.

It is believed, Ballasch says, that fluid relations among all nations of our planet will lead to a "consolidation of world peace. Therefore, we must commit ourselves to a prompt establishment of relations with all countries of the world that are interested in complying with UN resolutions."

Nestor Insaurralde, in a 300-word article on page 4 entitled "Everything That Is Not Right Wing," comments on the prejudice against communists that still exists in Paraguay almost two years after the ousting of the last dictatorship. He notes that the communist world has changed a great deal, but the Paraguayan attitude toward it has not changed very much.

Insaurralde mentions the Soviet interest in establishing relations with Paraguay and all other Latin American countries, although, so far, the contacts have still been rather "timid." He adds that the Paraguayan political and entrepreneurial sectors have expressed an interest in establishing relations with the USSR, and the Paraguayan Congress has urged the executive branch to begin these relations. He then notes that Paraguay has not adopted a position in this regard because, "after all, it is better to have good relations with the United States, and that is all."

In conclusion, Insaurralde says that the communist ghost still lives in Paraguay, as if nothing had changed. "Meanwhile, we will continue to accept the local communists, who are funnier and can be charged and attacked at any time."

Hungarian Official Evaluates Trade Relations

PY1601020491 Asuncion ABC COLOR in Spanish
14 Jan 91 p 14

[Text] In an interview, Mikros Banjai, Hungarian trade attache accredited to Buenos Aires, stated that his country needs many products, both raw materials and manufactured goods, and that his government wants to begin a sustained relationship with Paraguay.

In this respect, Foreign Minister Alexis Frutos Vaesken will begin his European trip on 17 January. It is probable that he will make stopovers in some of the Eastern bloc countries, one of which is Hungary.

Banjai explained: "I was named to make the first trade contacts with Paraguay. In this respect, I met with both public and private sectors. I visited Industry Under Secretary Ubaldo Scavone, the Paraguayan Industrial Union (UIP), the Paraguayan Lumber Center [Centro de Madereros del Paraguay], and the Production, Industry, and Commerce Federation (Feprinco). I also paid a courtesy visit to Foreign Ministry Under Secretary Hugo Saguier Caballero."

In an optimistic tone, Banjai added that possibilities are very positive because Hungary has steadfast intentions. He further stated that he hopes Paraguay will not encounter any difficulty in beginning a sustained trade exchange.

Asked about products that will probably be exchanged, he said: "Within our imports there are important products such as certain types of laminated wood, parquet, soybean pellets, cotton, and many others that I do not recall at this time. There is also a possibility for Paraguay to export some manufactured soybean and cotton by-products. [no closing quotation mark as received]

He added that his country can export pharmaceutical and agrochemical products, various types of light bulbs, and educational and hospital equipment to Paraguay, although this matter is still being evaluated.

"All of this will depend on the competitiveness of the products in regard to quality and prices," he said.

Asked about the possibility of diplomatic relations, he stated that at this time, the first contacts are being made so that Paraguay and Hungary can begin diplomatic relations and a sustained trade exchange in the not very distant future.

Peru

Commentary Postulates Use of Weapons in Gulf

PY1601141691 Lima RTP Television Network
in Spanish 0100 GMT 16 Jan 91

[Juan Velit commentary]

[Text] Friends: The truth is that war is not a solution to any controversy. Yet it is also true that it seems that human beings do not have the right to live on this planet

because we are stubbornly promoting the disappearance or extinction of mankind. Although this might seem apocalyptic, it is undoubtedly the most likely thing to occur in case the conflict breaks out. Everything seems to indicate that this may happen within the next few hours.

It is also important to understand the strategic location of Iraq and the reason why it invaded Kuwait. Beyond all doubt, the Iraqi action was illegal. It clearly violates international law because at no time had Kuwait been part of Iraq. Kuwait was part of the (Bcshara) province of the Ottoman Empire.

One of the main factors that clearly characterizes Iraq's motivation is obtaining access to the Persian Gulf, as we can see on this map. This access will give Iraq a very important strategic route, not only for its oil but also for consolidating a vital consequential position that will promote its hegemony in an area where Saddam Husayn can become a leader, considering the leadership vacuum in the Arab world.

The truth is that the cards are already on the table. It should be understood that Kuwait is not a former Iraqi territory. Iraq never claimed possession of Kuwait. When Kuwait joined the UN, Iraq agreed and accepted that Kuwait was a sovereign state with all the rights and prerogatives of sovereign states.

Yet now we can only await what will happen. Our fingers are on the trigger, tension around the world seems to have been focused, and the beating hearts of all people around the globe are now following the pulse of a situation that is considered the most conflictive of the past 10 years. Even if the conflict is not apocalyptic, it can have really serious consequences for mankind and for all living creatures on earth, men and animals.

If we look at it from the viewpoint of the effects that it would have in our country, we should say that for example, the radioactive cloud that would rise—Saddam Husayn said that they would blow up oil wells—would create what is referred to as the greenhouse effect. Temperatures in the area would drop [as heard] six to seven degrees, which would have unpredictable consequences for the environment.

However, the radioactive cloud—if nuclear and biological weapons are detonated—will also have effects on Latin America, specifically in Peru. I say this because it is important to recall that now there are high-altitude winds in the Persian Gulf area and low-altitude winds in South America. High-altitude winds will drop over South America, and we will feel the effects of the bacteriological war and the greenhouse effect.

Even more so, it will be no longer possible for us to import food from this area, a large fruit-producing region.

These factors obviously do not allow negotiations to be held smoothly and calmly. If Saddam Husayn is partly to blame, the United States also has its own share.

In the past few hours, the government of Francois Mitterrand said—specifically through French Defense Minister Jean-Pierre Chevenement—that if the United States made a gesture, the slightest gesture leading to a solution, as an expression of political will, raising the Palestinian issue in the negotiations agenda, Saddam Husayn could answer with a much broader opening toward a solution.

Yet the U.S. Government has rejected the French Government's proposal, in an attitude that seems to reflect the economic interest in this war.

(Samsong), the well known English critic and analyst of London's Institute for Strategic Studies, has said that this conflict is advantageous for the United States to teach the world something very important; namely, that the economic factor is as important as the military factor. This lesson applies specifically to two countries that now appear as the rising powers of the 1990's: Germany and Japan. This is an opportunity to tell them that power is not only economic but also military.

My friends, the cards are on the table. As we said at the beginning, war cannot solve any controversies because war modifies the rhythm of history. The words by Herodotus are now valid: No one is such a fool as to prefer war to peace because in peace sons bury their parents, but in war parents bury their sons. Thank you very much. Good night.

Uruguay

Lacalle Reports Call With Bush on Bombing Raids

PY1701012891 Madrid EFE in English 0121 GMT
17 Jan 91

[Text] Montevideo, 16 Jan (EFE)—U.S. President George Bush was "serene, calm-spirited and sure of having done everything possible to avoid war" after ordering the huge bombing raids on Baghdad, said Uruguayan President Luis Alberto Lacalle.

"Bush told me the attack against Iraq was inevitable to preserve the UN's credibility in the eyes of the world," said Lacalle, who spoke on the telephone with Bush shortly after the U.S. attacks against Baghdad began.

Sinai Troops To Be Withdrawn if War Begins

PY1601164291 Madrid EFE in Spanish 1608 GMT
16 Jan 91

[Excerpt] Montevideo, 16 Jan (EFE)—Defense Minister Mariano Brito announced today in Montevideo that Uruguay will withdraw the troops it has with the multinational peace force stationed in the Sinai if a war breaks out in the Persian Gulf.

The withdrawal of the Uruguayan soldiers presupposes their leaving the theater of operations that would be created in the Sinai if war breaks out in the Gulf and if Iraq decides to attack positions close to Israel.

The 79 Uruguayan soldiers that are part of the UN peacekeeping force have been assigned transportation tasks. [passage omitted]

Bank Reports \$82 Million Increase in Reserves

PY1601214091 Montevideo LA HORA POPULAR
in Spanish 9 Jan 91 p 3

[Summary] Uruguay's Central Bank has reported that its international reserves increased by \$82 million in 1990. Central Bank reserves at the end of the year totalled \$1.070 billion.

Suriname

Government Recalls Netherlands, U.S. Envoys

FL1601182091 Paramaribo International Service
in English 1730 GMT 16 Jan 91

[Text] The Suriname Government has recalled some ambassadors for discussions. These are the ambassadors to Holland, Cyrill Ramkisoer, and the Surinamese representative in the United States of America, Willem Udenhout. Also, consular general (Dick Bezeet) has been recalled from Miami. According to the director of the Ministry of Foreign Affairs the diplomats will get new instructions regarding the present situation in the country. The director denied that the recalling of the ambassadors from North America is a reaction to the decision of the U.S. Government not to recognize the Government of Suriname for the time being. According to sources at the ministry, it is expected that in a short time more ambassadors will be recalled for discussions concerning the present situation in the country.